



Daily Report

China

FBIS-CHI-93-086
Thursday
6 May 1993

Daily Report

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FBIS-CHI-93-086

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Foreign Ministry Holds Weekly News Briefing

On Attack of Camp in Cambodia

OW0605084193 Beijing XINHUA in English 0827
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—The Chinese Government is deeply regretful over yesterday's bombardment of a camp site manned by a Chinese engineering contingent that is part of the United Nations peace-keeping force in Cambodia, a Foreign Ministry spokesman said here this afternoon.

"The Chinese Government is very concerned with the safety of Chinese personnel taking part in the peace-keeping activities of the United Nations in Cambodia," spokesman Wu Jianmin said at a weekly news conference held by the ministry.

Wu said, "We expressed regret over the fact that the camp site of the Chinese engineering contingent was bombarded in Cambodia."

The Chinese Government is opposed to all forms of violence, and solemnly condemns acts that jeopardize the safety of the U.N. peace-keeping forces, the spokesman added.

'Doubts' Khmer Rouge Blame

HK0605090093 Hong Kong AFP in English 0853 GMT
6 May 93

[Text] Beijing, May 6 (AFP)—The Chinese Government Thursday expressed doubts over U.N. statements saying a contingent of Chinese U.N. troops had been attacked Wednesday [5 May] by the Khmer Rouge, former close allies of Beijing. "It is still unclear who made the bombardment yesterday," said foreign affairs spokesman Wu Jianmin.

Wu did not elaborate, but the official XINHUA News Agency, quoting U.N. spokesman in Phnom Penh Eric Falt, said Wednesday [5 May] the attack on the Chinese engineers' battalion had been carried out by the Khmer Rouge.

The unit's barracks came under a two-hour Khmer Rouge cannon, mortar and rocket-grenade barrage Tuesday night and Wednesday morning in the central province of Kampong Thom, according to the U.N. The attack, which the Chinese beat off, caused material damage but no casualties.

Wu again expressed the Chinese Government's "regret" over the attack and repeated that Beijing was "very concerned" over the security provided to Chinese military personnel in Cambodia. "The Chinese Government is opposed to all forms of violence and solemnly condemns the acts jeopardising the safety of the U.N. peacekeeping forces," Wu added.

Speaking of the informal meeting of the Supreme National Council which got underway Thursday in Beijing in the absence of the Khmer Rouge, the spokesman said "We hope that the difficulties involved in the peace process will be overcome according to the Paris agreement" of 1991. The accord, signed by all major Cambodian factions, ended 13 years of civil war in Cambodia.

"We support all the parties in Cambodia to reach national reconciliation under the leadership of Prince Sihanouk and we do not want to see a reopening of war there," he said.

On U.S.-DPRK Nuclear Talks

OW0605083493 Beijing XINHUA in English 0822
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—A Chinese Foreign Ministry spokesman today welcomed the ongoing talks between the Democratic People's Republic of Korea (DPRK) and the United States in Beijing on the nuclear inspection issue.

Spokesman Wu Jianmin made the remark at a press conference this afternoon, when asked whether China would exert pressure on DPRK to revert its position on withdrawing from the NPT (Nuclear Non-Proliferation Treaty).

"The issue of nuclear inspection in the DPRK is more directly a matter between DPRK and the three sides of the International Atomic Energy Agency (IAEA), the United States and the Republic of Korea," Wu said.

China hopes that the parties concerned will find a proper settlement of the issue through dialogue and China will play a constructive role in this regard, he said.

The DPRK and the United States started talks in Beijing yesterday, he disclosed. "We welcome this and hope the talks will achieve positive results at an early date."

Discusses Wang-Ku Meeting

OW0605100393 Beijing XINHUA in English 0954
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—The Chinese Government is firmly opposed to any remarks or actions that could lead to two Chinas, or one China, one Taiwan, and to those that regard Taiwan as an independent political entity.

The remark was made by Chinese Foreign Ministry spokesman Wu Jianmin here this afternoon at a weekly press conference.

Wu said this when asked to comment on the fact that the Taiwan side held that the recent meeting between Wang Daohan and Ku Chen-fu [spelling of name as received] has shown that Taiwan is an equal political entity.

Wu said the meeting is one between the highest leaders of the authorized unofficial organizations of the two sides of the Taiwan Straits.

"It is of an unofficial, economic, business and functional nature," he said. "With the joint efforts of the two sides, the meeting has obtained the result satisfying both sides.

"This shows that the Chinese people on the two sides of the Taiwan Straits are able to handle China's internal affairs," Wu added.

When answering a question if the meeting will help Taiwan to expand its living space in the international arena, Wu said: "We hope for the social stability and economic prosperity of Taiwan.

"We also would like to see the success of Taiwan's conducting of unofficial international economic and trade activities," Wu said.

However, Wu reaffirmed that since Taiwan is the part of China, "We are firmly opposed to any remarks or actions that could lead to two Chinas, or one China, one Taiwan, and to those that regard Taiwan as an independent political entity."

Hong Kong Talks To Proceed

HK0605100793 Hong Kong AFP in English 1004 GMT
6 May 93

[Text] Beijing, May 6 (AFP)—China opposes Hong Kong Governor Chris Patten's bid to generate U.S. support for his democracy plan, but will continue talks with Britain on the territory's political future, a government spokesman indicated Thursday.

Hong Kong's political arrangements were an issue only between China and Britain before the colony's reversion to Chinese rule in July 1997, Foreign Ministry spokesman Wu Jianmin said. "Any attempt to internationalize the Hong Kong issue will not succeed," Wu said when asked to comment on Patten's three-day visit to Washington and U.S. President Bill Clinton's support of the governor's plan to increase democracy.

The spokesman indicated, however, that talks between China and Britain over Hong Kong would nevertheless continue. "We hope that the Sino-British talks on the Hong Kong issue will obtain positive results...and the cooperation between China and Britain will be restored," he said.

A senior Chinese official in Hong Kong hinted Wednesday [5 May] that Patten's U.S. trip risked upsetting the Sino-British talks.

Zheng Junsheng, a vice director of the Hong Kong branch of the XINHUA News Agency, Beijing's de facto consulate in the colony, said playing an "international card" could raise obstacles for the talks.

After talks with Patten, Clinton threw his support behind the governor's attempt to extend the voting franchise in Hong Kong before 1997.

China and Britain have already held two rounds of talks in Beijing on arrangements for Hong Kong's 1994 and 1995 elections, but there has been no hint of progress. A third round is scheduled to begin May 21.

Zhu Rongji 'In Charge'

HK0605093193 Hong Kong AFP in English 0920 GMT
6 May 93

[Text] Beijing, May 6 (AFP)—Chinese Vice Premier Zhu Rongji has taken charge of the government's day-to-day work, and Premier Li Peng remains ill, the Foreign Ministry's spokesman said Thursday.

"Premier Li Peng is recovering," spokesman Wu Jianmin said. "Vice Premier Zhu Rongji is the executive vice premier of the State Council and he is in charge of the day-to-day work of the State Council."

The 65-year-old prime minister has made no public appearance since officials said 11 days ago that he had come down with a "severe cold."

The spokesman told a news conference that the premier had invited New Zealand Prime Minister Jim Bolger to visit China May 14 to 17, but declined to say if Li was expected to recover in time to meet his guest.

"We will release the news in this regard in due course," Wu said.

The spokesman's remark that Zhu was responsible for the government's "day-to-day" work appeared to confirm unofficial reports that the Chinese leadership had expanded the vice premier's powers.

Zhu is considered a moderate and strong advocate of senior leader Deng Xiaoping's program of faster economic reform. He was strongly rumored to be a candidate for the premiership before a parliamentary session in April confirmed Li for another term.

Li is a member of the communist party's conservative faction.

The spokesman also said Zhu would pay a visit to Canada, Mexico and Brazil from May 16 to June 2.

Zhu To Visit Canada, Latin America

OW0605101293 Beijing XINHUA in English 0956
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—Chinese Vice-Premier Zhu Rongji will pay an official visit to Canada, Mexico and Brazil from May 16 to June 2 at the invitation of the governments of the three countries, a Foreign Ministry spokesman announced here today.

Zhu will be the first Chinese leader to visit Canada in recent years. During the visit, the two sides will explore

new channels of cooperation in the economic, technological, trade and other fields, in addition to exchange of views on bilateral relations and international issues, spokesman Wu Jianmin said at a weekly press conference this afternoon.

Wu cited the following figures to show the "smooth growth" of Sino-Canadian economic and trade ties: Last year bilateral trade volume reached 2.579 billion U.S. dollars, 16.6 times of that in 1970, when China and Canada forged diplomatic relations.

Zhu will also be the first Chinese vice-premier to visit Latin America, after a new line-up of the State Council was formed earlier this year.

During the visit, Zhu will have talks of "comprehensive content" with leaders of the two countries and explore possibilities and ways to expand cooperation in the economic, trade, scientific and technological sectors, Wu told the press conference.

The visit is of "important significance" for enhancing China's relations with Mexico and Brazil, Wu said.

Discusses Bosnian Situation

HK0605083093 Hong Kong AFP in English 0823 GMT
6 May 93

[Text] Beijing, May 6 (AFP)—China said Thursday it opposed any action that could "complicate" the situation in Bosnia-Herzegovina and continued to hold out hope for a politically negotiated solution.

"We hope that all the outside efforts will help the parties concerned to reach a political settlement of the issue of Bosnia-Herzegovina through peaceful negotiations as soon as possible," Foreign Ministry spokesman Wu Jianmin said.

"We do not favor any action that could complicate the situation in the area," Wu said when asked about China's attitude toward possible military intervention following the Bosnian Serb parliament's rejection of the Vance-Owen peace plan.

China is a permanent member of the United Nations Security Council and has the power to veto any resolution authorizing the use of force in Bosnia-Herzegovina.

"The result of the voting of the Bosnian Serb assembly has aroused the concern of the international community," the Chinese spokesman said. "We hope that the efforts to seek a political settlement of the issue of Bosnia-Herzegovina will continue so as to realize peace in the region at an early date," he said.

China abstained from a U.N. Security Council vote to increase sanctions against the Bosnian Serbs starting April 26.

Urges Efforts in Bosnian Conflict

OW0605095193 Beijing XINHUA in English 0940
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—The Chinese Government hopes that efforts at seeking a political settlement of the Bosnia-Herzegovina conflict will continue.

A Chinese Foreign Ministry spokesman, Wu Jianmin, made this statement this afternoon at a weekly press conference here when asked to comment on today's rejection of the Vance-Owen peace plan by the Bosnian Assembly.

"The result of the voting of the Bosnian assembly has aroused the concern of the international community," Wu said. "We hope that efforts at seeking a political settlement of the Bosnia-Herzegovina issue will continue so as to realize peace in the region at an early date."

Wu reaffirmed that China stands for a peaceful resolution of disputes in the region.

"All outside efforts should help the parties concerned to reach a political settlement of the issue through peaceful negotiations as soon as possible," Wu said.

Wu added that China does not support any act that would complicate the situation in the area.

On U.S. Firm Leaving Market

OW0605110293 Beijing XINHUA in English 1049
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—A Chinese Foreign Ministry spokesman, referring to a U.S. company's reported intention to pull out of China, said today that any foreign company investing in China is free to come and move out of the Chinese market.

Any foreign company investing in China is free to come and move out, and "there is no need to find any excuse", spokesman Wu Jianmin said at a weekly press conference when asked to comment on an announcement of the Levi Strauss company that it will withdraw from the Chinese market on the excuse that China "violates human rights".

"At present, there are tens of thousands of foreign companies investing in China, and among them are thousands of companies from the United States," he said.

Among such a large number of companies, if a certain one wants to withdraw, it can do as it likes, Wu added.

Minister To Attend Sri Lanka Funeral

OW0605094093 Beijing XINHUA in English 0925
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—Minister of Posts and Telecommunications Wu Jichuan, as special envoy of the Chinese Government, will attend the state funeral

for the late President Ranasinghe Premadasa of Sri Lanka, a Foreign Ministry spokesman announced at a press conference here today.

The Government of Sri Lanka is scheduled to hold the state funeral later today.

New Zealand Premier To Visit

*OW0605080193 Beijing XINHUA in English 0737
GMT 6 May 93*

[Text] Beijing, May 6 (XINHUA)—Prime Minister of New Zealand Jim Bolger will pay an official visit to China from May 14 to 17 at the invitation of Chinese Premier Li Peng.

The announcement was made here this afternoon by a Chinese Foreign Ministry spokesman at a weekly press conference.

Reportage on Warren Christopher's Visit to Russia

U.S., Russia Agree on Bosnia

*OW0505205593 Beijing XINHUA in English 1504
GMT 5 May 93*

[Text] Moscow, May 5 (XINHUA)—Russia and the United States have agreed to make preparations for sending troops to Bosnia-Herzegovina to help in peace-keeping operations under United Nations supervision, it was announced in a joint news bulletin here today.

In the bulletin issued by visiting U.S. Secretary of State Warren Christopher and Russian Foreign Minister Andrey Kozyrev, the two countries urged Bosnian Serbs to accept and carry on the agreement Serb leader Radovan Karadzic had signed in Athens on Sunday [2 May].

The bulletin said if the Serbs were unable to move forward on the agreement, the U.S. and Russia would discuss some new, harder measures. It also hinted that the Bosnian Serbs could find themselves faced with military intervention if they reneged on the peace agreement.

Christopher arrived here yesterday evening to help in reaching a consensus with Russia on the conflicts in former Yugoslavia. He had met Russian President Boris Yeltsin before his talks with Kozyrev.

Christopher reportedly said Britain, France, Spain and Greece, the four countries he has polled so far, had not endorsed either bombardment of Serb artillery positions or the easing of the U.N. arms embargo to provide weapons to the Bosnian Government.

But he added "there is substantial agreement on the need to take strong actions, including military steps," if the Bosnian Serbs do not ratify the peace plan.

Meets Yeltsin on Bosnia

*OW0505205293 Beijing XINHUA in English 1617
GMT 5 May 93*

[Text] Moscow, May 5 (XINHUA)—Russian President Boris Yeltsin expressed optimism today that the Bosnian Serbs would accept the international peace plan to end the civil war in the former Yugoslavian Republic of Bosnia-Herzegovina.

He made his statement during a meeting with United States Secretary of State Warren Christopher just hours before a key vote in the self-styled Bosnian Serb parliament, Yeltsin's press secretary, Vyacheslav Kostikov, told reporters.

The two sides discussed the conflict in Bosnia-Herzegovina and their relations during the meeting.

Yeltsin claimed that the Bosnian Serb parliament would demonstrate its intelligence and make a serious decision in the face of the prospect of increased bloodshed.

Christopher, who arrived here on Tuesday [4 May] to seek Russia's support on action in former Yugoslavia, expressed the hope that Russia would cooperate with the U.S. in implementing the peace plan devised by international mediators Cyrus Vance and Lord Owen, if accepted by the Bosnian Serbs. It has already been signed by the Bosnian Croats and Muslims.

Christopher spoke highly of Yeltsin's recent statement on the Yugoslavian problem, saying "it is not only very flexible, but also very firm". It had led to a breakthrough at the May 2 Athens conference on solution of the Bosnia-Herzegovina conflict, he added.

Kostikov said that the two sides did not discuss possible options if the plan was rejected.

The Russian Government has been expressing its sympathy and support to Serbs in the conflict, but it held that the Serbs should accept the international peace plan for a political settlement.

Yeltsin pointed out in a statement issued April 27 that the Owen-Vance plan was the only choice. Any warring faction which did not accept it would bear responsibility for the serious consequences, he said.

Both sides also discussed conducting widespread cooperations in various fields. Yeltsin held that in facing up to the new situation between them, Russia and the United States should hold close consultations on all issues.

'Roundup' on Development Bank Meeting in Manila

*OW0605095693 Beijing XINHUA in English 0905
GMT 6 May 93*

[“Roundup” by Wang Jiansheng]

[Text] Manila, May 6 (XINHUA)—The 26th annual meeting of the Board of Governors of the Asian Development Bank (ADB) ended here today and was described as "fruitful" by ADB President Kimimasa Tsurumizu.

On behalf of their respective governments, governors expressed frankly their views on issues of global, regional and country concern.

Although the world economy remains sluggish, governors noted the impressive growth achievements of the Asia-Pacific.

The Developing Member Countries (DMCs) of the ADB registered an average growth rate of 7 percent in 1992, compared with the 1.5 percent in the industrialized world.

However, governors warned that the future of the DMCs' sustainable development is uncertain mainly due to the economic difficulties and growing protectionism in developed countries.

They also noted that the bank's region remained home for the majority of the world's poor and the bank is needed to make more efforts in reducing poverty in the region.

Referring to the general capital increase of the ADB, most governors called for a prompt conclusion of the negotiation on this matter so that the bank's operations can continue smoothly and without interruption. [sentence as received]

However, the United States, the second largest shareholder in the ADB, holds a negative attitude towards the issue.

"It (ADB) need not—and cannot—go on rapidly increasing its lending year by year," Governor for the U.S. Jeffrey R. Shafer said.

"More consideration of the scale of lending and the adequacy of current resources is needed before a decision on a capital increase can be taken," he added.

During their speeches, many governors emphasized the need to pay attention to project quality and improved implementation and evaluation. They welcomed the establishment in the bank of a special task force on improving project quality.

Governors welcomed Tuvalu as the bank's 53rd member and many called for an early conclusion of membership negotiations for the Central Asian Republics, which were newly independent from the former Soviet Union.

Governors also applauded the bank for renewing its operations in Cambodia and many expressed hope that the bank's operations in Vietnam would be normalized soon.

"This 26th annual meeting has afforded us a valuable opportunity for a frank exchange of views on very

important development issues and on priorities for individual countries and the region as a whole," President Tsurumizu said at a press conference held after the three-day meeting concluded.

"I assure you that the bank will remain fully responsive to the concerns of the governors and to the needs of its developing members," he added.

Minister Addresses World Health Organization

OW0505143993 Beijing XINHUA in English 1353
GMT 5 May 93

[Text] Geneva, May 5 (XINHUA)—China said today that it is willing to further strengthen the cooperation with the international organizations to make positive contributions to the promotion of health and development.

The remarks were made by Chen Minzhang, Chinese minister of health, at the 46th session of the World Health Assembly, the highest authoritative body of the World Health Organization (WHO).

"In face of the turmoil and turbulence in the world, more attention should be paid to protecting the fundamental health rights and interests of the people," Chen pointed out.

He added, "During this changing period, the gap existing in this regard should be bridged, rather than being enlarged."

Therefore, China is willing to strengthen the cooperation with the WHO and other international organizations, fulfill its obligations, promote the mutual support and technical exchanges with other member states, he stressed.

He noted that his country will actively participate in international exchanges in an effort to phase out the existing injustice and irrationality in the health sector and realize the objectives as advocated by the WHO.

About the situation in health in China, he said health care in China has witnessed "constant progress."

Three strategic priorities for the development of China's health service are "improvement of rural health services, reinforcement of preventive health services and rejuvenation of traditional Chinese medicine," he explained.

"Due to historical, social and economic reasons, considerable gaps exist between the urban and rural areas and among different regions in terms of the health status and services."

"On top of them, there is a lack of balance in the distribution of health resources," the Chinese minister told the assembly.

China is facing arduous tasks to attain the strategic goal of health for all by the year 2000, he affirmed.

At present, of the 30 provinces, municipalities and autonomous regions, with the exception of Taiwan, 29 have all incorporated the primary health care into their local general program of social and economic development.

Specialists Discuss Water Conservation at Meeting

HK0405142393 Beijing XINHUA Domestic Service in Chinese 1756 GMT 3 May 93

[By reporter Li Xiaolin (2621 1420 2651) and correspondent Zhao Lili (6392 7787 5461)]

[Text] Dalian, 4 May (XINHUA)—Of 514 cities in China, two-thirds have suffered water shortages in varying degrees. They are short of 10 million cubic meters of water a day. This has become an important restraining factor for the economic development in cities and the improvement of the people's livelihood. Therefore, at the international symposium on water conservation in cities, which concluded in Dalian a few days ago, Chinese and foreign specialists appealed: Water conservation in cities is a task which brooks no delay.

To alleviate the contradiction between water supply and demand in cities, in the late seventies, China formulated the "principle of persisting in putting equal stress on broadening sources of water and saving water, with the emphasis on the latter in the near future." In 1983, China brought water conservation in cities into line with the basic policy on economic construction and since then, remarkable achievements have been made in its effort to economize on water in cities. According to statistics, in the last 10 years since 1983, Chinese cities have cumulatively saved 10.2 billion cubic meters of water; the reutilization rate of water for industrial use has been increased from 20 percent to 50 percent; and they have saved 5.1 million kw-hours of electricity, calculated on the basis of every cubic meter of water saved being equal to saving 0.5 kw-hours of electricity, thus gaining quite remarkable economic results. Therefore, water conservation is an important way to alleviate the contradiction between water supply and demand in cities.

According to a person from the Construction Ministry, in the work of saving water in cities, China will implement the following principles and policies: 1) Deepen and popularize the drive to save water in cities, strengthen urban water-saving control, increase input in water-saving funds, and accelerate the technological transformation of water conservation facilities; 2) organize the study of water-saving technology and appliances and spread the extensive use of new water-saving techniques, technologies, and appliances; 3) save water by economic means, gradually readjust water charges, establish a rational water-pricing system, strengthen management on the collection of surcharges on water use in excess of state plans, and carry out the management of collecting fees on draining water and compensation for

the use of drainage facilities; 4) exploit and utilize polluted water resources in cities; and 5) actively exploit and utilize seawater resources.

Beijing Hosts International Machine Tool Show

OW0505112993 Beijing XINHUA in English 0841 GMT 5 May 93

[Text] Beijing, May 5 (XINHUA)—Nearly 1,000 machine tool producers from 26 countries and regions displayed their advanced machine tool products in the China International Exhibition Center today, marking the beginning of the largest such show ever in the People's Republic.

The week-long show, occupying a floor space of 23,000 square meters, has drawn almost all the world's top machine tool producers. They have sent products worth over 70 million U.S. dollars, making the current exposition the fourth largest of its kind after the ones in Europe, the United States and Japan.

According to a spokesman from China Machine Tool and Tool Builders' Association, the chief sponsor of the show, 67 percent of the machine tools presented by Chinese enterprises are number controlled, marking the noticeable progress made in China's machine tool industry over the past two years.

The spokesman said that China's machinery and electronics production increased by 28 percent in 1992 while the machine tool industry reached 1.7 billion U.S. dollars in output value. China is now the world's fifth largest machine tool market.

Government Sends Thanks for Messages to Leaders

OW0605043993 Beijing XINHUA Domestic Service in Chinese 1445 GMT 24 Apr 93

[Text] Beijing, 24 Apr (XINHUA)—The General Offices of the National People's Congress [NPC] Standing Committee, the State Council, and the Central Military Commission [CMC] of the PRC issued an announcement today. The full text of the announcement is as follows:

Following the election of new leaders by the First Session of the Eighth NPC, we are very grateful that heads of state, government leaders, parliamentary speakers, responsible persons of government departments, political party leaders, friendship organizations, friendly personages, people in charge of international organizations, foreign envoys to China, and people of Chinese origin residing in many countries in the world, as well as Overseas Chinese and compatriots in Hong Kong, Macao, and Taiwan cabled congratulatory messages and letters to Jiang Zemin, state president and chairman of the CMC; Rong Yiren, state vice president; Li Peng, premier of the State Council; and Qiao Shi, chairman of the NPC Standing Committee; to express their warm congratulations and good wishes. Entrusted by Jiang

Zemin, Rong Yiren, Li Peng, and Qiao Shi, the General Offices of the NPC Standing Committee, the State Council, and the CMC hereby express heartfelt gratitude for the congratulatory messages.

United States & Canada

Jiang Zemin Receives U.S. Entrepreneur

OW0505131193 Beijing XINHUA in English 1254
GMT 5 May 93

[Text] Beijing, May 5 (XINHUA)—Chinese President Jiang Zemin met with James Si-cheng Chao, chairman and chief executive officer of Foremost Group of the United States, and his wife Ruth Mu-lan Chao at the state guesthouse here this evening.

The meeting proceeded in a pleasant atmosphere.

Present on the occasion were Liu Huaqiu, Chinese vice-minister of foreign affairs, Wang Rongsheng and Chen Xiaojin, vice-presidents of the China State Shipbuilding Corporation.

Chao and his wife arrived here on May 3 as guests of the China State Shipbuilding Corporation.

Vice President Rong Yiren Meets U.S. Visitors

OW0605084993 Beijing XINHUA in English 0646
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—Chinese Vice-President Rong Yiren met with Professor John Haggai, president of the U.S. Haggai Institute, and his party in Beijing today.

This is Haggai's 18th visit to China. While extending a warm welcome to him and other U.S. visitors, Rong encouraged them to visit more places in China to find out about Chinese society and new market.

Rong said China which is speeding up its reform and opening up is "ready to expand its cooperation with all the states in the U.S."

Rong noted that the cooperation will not only benefit U.S. businessmen, but also help the development of China's economy and technology.

He said China welcomes more U.S. businessmen to invest in China.

Haggai said that he has loved China since he was quite young. He expressed the wish that the cooperation between his institute and its Chinese counterpart would be further strengthened.

Haggai and his party arrived here May 4 at the invitation of China Association for International Friendly Contact.

Wu Xueqian Receives U.S. Foundation Delegation

OW0505143493 Beijing XINHUA in English 1409
GMT 5 May 93

[Text] Beijing, May 5 (XINHUA)—A leader of China's top consultative body today called for more exchanges in economic and cultural fields between non-governmental organizations in China and the United States.

Expanded ties will improve Sino-U.S. relations, Wu Xueqian, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC), told a visiting delegation from the U.S.-based Kettering Foundation, which arrived here on Sunday [2 May].

Wu, in a meeting with the 12-member delegation, said that China would like to develop the Sino-U.S. relationship on the basis of the Five Principles of Peaceful Co-existence.

He urged cooperation and exchanges between various sectors of society in the two countries, in addition to inter-government exchanges.

The American visitors are here as guests of the Chinese Academy of Social Sciences.

Members of the delegation include Leonard Woodcock, former ambassador to China, John H. Buchanan, former member of the House of Representatives and American experts on Chinese affairs.

During their visit, the American visitors have held talks with the Chinese Academy of Social Sciences. They have also visited the Chinese People's Institute of Foreign Affairs and several other academic institutions.

Northeast Asia

Hu Jintao Receives Japanese Former Party Leader

OW0505124393 Beijing XINHUA in English 1211
GMT 5 May 93

[Text] Beijing, May 5 (XINHUA)—Hu Jintao, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met here this afternoon with Makoto Tanabe, former chairman of the Japanese Social Democratic Party [of Japan] [SDPJ].

Hu, calling Tanabe "an old friend of ours," noted that the Social Democratic Party has made "positive contributions" to the growth of Sino-Japanese friendship over the years. He said that relations between the Chinese Communist Party (CPC) and the Japanese Social Democratic Party have enjoyed good development, with enhanced exchanges and mutual understanding.

This, he said, also has served to promote and strengthen the good-neighborly and friendly relationship between the two countries and the traditional friendship between the two peoples.

Tanabe, also a member of the Japanese House of Representatives, observed that the 14th CPC National Congress held last year and the annual sessions of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference convened earlier this year were all "crowned with success."

China, entering "a great historic transitional period," is also advancing toward further economic development, he noted.

In the 70-minute-long meeting, Hu and Tanabe also exchanged views on the current international situation and ways to further Sino-Japanese political and economic ties.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, and Chairman Zhu Liang of the NPC Foreign Affairs Committee, met with Tanabe and his party on separate occasions, after the group arrived yesterday.

Discusses DPRK Nuclear Issue

OW0505125493 Tokyo KYODO in English 1220 GMT 5 May 93

[Text] Beijing, May 5 KYODO—A ranking leader of the Chinese Communist Party said Wednesday [5 May] the issue over North Korea's decision to pull out of an international nuclear control pact should be resolved through dialogue rather than muscle-flexing.

Hu Jintao, a member of the party's Politburo Standing Committee, made the remark when he met with Makoto Tanabe, former chairman of Japan's No. 1 opposition Social Democratic Party [of Japan] (SDP) [SDPJ], said SDP officials traveling with Tanabe.

Pyongyang's withdrawal from the Nuclear Non-Proliferation Treaty (NPT) "should be resolved, not in the form of imposing sanctions or bringing pressure, but in the form of dialogue," Hu was quoted as saying.

In March, North Korea declared that it was quitting the NPT to protest calls from the International Atomic Energy Agency (IAEA) for special inspections of its two facilities suspected of being used to develop nuclear weapons.

Hu also reportedly called on Tokyo to strive to mend fences with Pyongyang through talks on normalizing bilateral ties, adding that North Korea also needs to continue dialogue with the United States and the Vienna-based IAEA.

Tanabe arrived in Beijing on Tuesday [4 May] at the invitation of the Chinese Communist Party. He is due to return to Japan on May 13 after touring Dunhuang, an ancient trading spot in northwestern China, and a special economic zone of Shenzhen in southern China.

Qiao Shi Meets Japanese Deputy Prime Minister

OW0405131493 Beijing XINHUA in English 1221 GMT 4 May 93

[Text] Beijing, May 4 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, met with Masaharu Gotoda, deputy prime minister and minister of justice of Japan, and his party here today.

Qiao said that China has set the goal of establishing a socialist market economy and will make great efforts to improve legislative work based on the country's real conditions.

Meanwhile, Qiao said, China will take advantage of the experiences of the advanced countries, including Japan, in the legislative process.

He expressed the hope that the legislative and judicial departments of the two countries would increase exchanges and cooperation.

Qiao also briefed the visitors on China's reform of government structures and efforts to improve its legal system.

Gotoda said that China's practice of building a socialist market economy is unprecedented in world history. He wished China success in this aim, adding that Japan is keen to cooperate with China in this respect.

Tianjin Hosts Japanese Representatives Speaker

SK0605083393 Tianjin People's Radio in Mandarin 0000 GMT 5 May 93

[Text] Yoshio Sakurachi, speaker of Japan's House of Representatives, visited Tianjin on 4 May. On the same evening, at the Sheraton Hotel, Wu Zhen, chairman of the standing committee of the municipal people's congress, met with and feted Yoshio Sakurachi and his party.

Wu Zhen said: Mr. Yoshio Sakurachi is an old friend of the Chinese people, and we warmly welcome his visit to Tianjin. The economic and cultural contacts and exchanges in other spheres between Tianjin and Japan are becoming more lively with each passing day. All of this has enhanced the friendship between the two areas and between the peoples of the two countries.

On 4 May the Japanese guests visited Nankai Middle School, the No. 2 carpet plant, the memorial hall for Zhou Enlai, and the historical museum.

Japanese Sports Delegation Arrives in Shanghai

OW0505112593 Beijing XINHUA in English 1055 GMT 5 May 93

[Text] Shanghai, May 5 (XINHUA)—Japan will take the upcoming first East Asian Games as a warm-up for the next Asian games and the 1996 Olympic Games, head of the Japanese delegation said here today.

Shozo Sasahara said at a press conference that Japan will not care too much about how many gold medals it can win, but he added that "Japan will strive for best performance at the games."

Japan sent a 357-member contingent for the games, including Barcelona Olympic Gold Medal Winner Kyoko Iwasaki, arch-rival to Chinese swimmer Lin Li.

Iwasaki said that she looked for beating Lin Li for a second time.

At the Barcelona Olympic Games last summer, the Japanese swimmer beat Lin Li to the second place in the women's 200-meter breaststroke event.

Southeast Asia & Pacific

Cambodian Factions Meet in Beijing on Elections

Khmer Rouge Absent

OW0605043893 Tokyo KYODO in English 0357 GMT
6 May 93

[Text] Beijing, May 6 KYODO—Representatives of the Khmer Rouge faction on Thursday [6 May] failed to attend an emergency meeting here to discuss Cambodia's upcoming general elections. The one-day session of Cambodia's Supreme National Council (SNC) opened at 9 a.m. at the Beijing residence of Prince Norodom Sihanouk, who heads the national reconciliation body which comprises all of Cambodia's four warring factions.

In his opening remarks to the council, Sihanouk expressed deep regret over the absence of the Pol Pot faction. Sihanouk, who proposed the emergency meeting last month, had wanted the Pol Pot faction included in the SNC talks on the May 23-28 general elections.

The Pol Pot group has refused to disarm or take part in the elections, defying the October 1991 Paris peace accord signed by all four Cambodian factions. The faction closed its mission in the Cambodian capital in April.

Sihanouk Regrets Absence

HK0605064693 Hong Kong AFP in English 0602 GMT
6 May 93

[By Pierre Lanfranchi]

[Text] Beijing, May 6 (AFP)—The Khmer Rouge boycotted an informal meeting here Thursday [6 May] of Cambodia's Supreme National Council (SNC), at which the three remaining factions voiced serious doubts about the United Nations' ability to hold free and fair elections.

"We have no faith that UNTAC (U.N. Transitional Authority in Cambodia) will be able to miraculously reestablish a neutral political environment for free and fair elections," the factions said in a joint statement.

Factional leader and former Cambodian Premier Son Sann even suggested that the elections, scheduled for May 23-27, may have to be postponed amid increasing political violence.

The Khmer Rouge underlined their rejection of the planned polls by boycotting the meeting here, to the obvious annoyance of SNC chairman Prince Sihanouk.

"I regret very much that the Khmer Rouge faction is not willing to join us in this meeting... (or) to facilitate my task for national reconciliation," said the former Cambodian monarch.

He also pointed out that nominal Khmer Rouge leader Khieu Samphan had recently described Beijing as a "perfect venue" for the SNC to meet compared to Phnom Penh, which was "not a neutral venue."

The three other factions with representatives on the SNC—the Phnom Penh government and the two groups loyal to Prince Sihanouk and Son Sann—all attended Thursday's meeting.

No explanation for its absence was provided by the Khmer Rouge, which has launched a recent series of attacks on U.N. personnel in Cambodia, including one Wednesday against a Chinese engineer battalion.

UNTAC chief Yasushi Akashi, who co-chaired the meeting with Sihanouk, said he "deeply regretted" the Marxist group's failure to turn up, but added that there was "no alternative than to go ahead with elections as decided by the SNC."

Akashi said a list of concrete measures to be adopted before the elections was expected to be discussed at the meeting, as well as a post-election constitution.

"UNTAC is still optimistic to remove obstacles and to reach minimum conditions for free and fair elections," he added.

Launching fresh appeals for a ceasefire and an end to political violence and human rights violations, Sihanouk said the SNC could not hope to solve all of Cambodia's problems but could take "certain measures."

The prince also said he regretted the decision of the Cambodian ambassador in Beijing, Chan Youran of the Khmer Rouge, to ignore "repeated demands" for him to attend Thursday's meeting.

But he did not specifically blame the Khmer Rouge for the latest attacks, saying he remained neutral.

The prince is currently living in Beijing, where he has been undergoing medical treatment. He indicated recently that he would not return to Cambodia for the elections.

Further on Absence

OW0605075793 Tokyo KYODO in English 0705 GMT 6 May 93

[Text] Beijing, May 6 KYODO—Cambodia's Khmer Rouge faction on Thursday [6 May] boycotted an emergency meeting of the country's national reconciliation body, called to prevent the May 23 to 28 general election being disrupted by violence, conference sources said.

Cambodian head of state Norodom Sihanouk called the meeting of the nation's four armed rival factions to his residence in Beijing.

The representatives to the Supreme National Council (SNC) and Yasushi Akashi, chief of the United Nations Transitional Authority in Cambodia (UNTAC), gathered in the Chinese capital amid increasingly violent attacks at home by the Khmer Rouge faction.

The Khmer Rouge opposes the general election, claiming that polling is rigged in favor of the Phnom Penh government, installed by Hanoi after Vietnamese troops invaded in 1978.

The faction has been accused by the international community of waging a series of military offensives against personnel of the 22,000-strong UNTAC, which was commissioned to oversee the nation's first election in decades.

The communist faction also is suspected of being behind an ambush Tuesday in which gunmen killed a Japanese civilian police officer and wounded nine UN peace-keepers.

Former Prime Minister Son Sann, leader of a noncommunist Cambodian faction, proposed at the Beijing meeting that the election be deferred because of the likelihood of an offensive by the Khmer Rouge, the sources said.

Also at the meeting were Dith Munty, representative from the Phnom Penh government, and Prince Norodom Sirivudh, senior member of a separate group loyal to Prince Norodom Rannariddh, son of Sihanouk. Sirivudh is a half-brother of Sihanouk.

Sihanouk told the SNC meeting that he deplored the absence of the Khmer Rouge group and called on rival factions to reconcile their differences to bring peace and democracy to the nation.

Sihanouk told the conference that when he was staying in Pyongyang he repeatedly urged Khmer Rouge leader Khieu Samphan to attend, the sources said.

Both Munty and Sirivudh called for holding the UNTAC-supervised election as originally scheduled, the sources said.

Akashi ruled out any possibility of UNTAC agreeing to a postponement. He called on rival factions to overcome political difficulties which threaten to plunge the electoral process into chaos.

The representatives from the three factions and Akashi were to spend Thursday trying to work out how to create safe conditions so that the election can be held peacefully, the sources said.

XINHUA Reports on Talks

OW0605084893 Beijing XINHUA in English 0836 GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—Prince Norodom Sihanouk, Cambodian head of state and president of the Supreme National Council, and Yasushi Akashi, special representative of the U.N. secretary general, here today jointly presided over a meeting of various parties of Cambodia.

Sihanouk said that the meeting is aimed at achieving peace for the sake of Cambodia and its people and implementing the Paris agreement honestly and completely.

He said the meeting will try to find out ways for improving the present situation of Cambodia and removing obstacles in the way to the May 23 general election.

He appealed to all parties to put an end to all forms of violence and the violation of human rights and the Paris agreement.

He called for a complete and absolute cease-fire in the country.

Yasushi Akashi said cease-fire and non-violence is vital to Cambodia today.

He said the U.N. hopes for continued dialogue between various parties of Cambodia. He urged all parties in Cambodia to work together to avoid violence. He was of the view that it is important to stick to the original date of the general election.

No representatives from Khmer Rouge attended the meeting.

Singapore Premier Attends Pact Signing 21 Apr

HK0505153693 Beijing ZHONGGUO XINWEN SHE in Chinese 1224 GMT 21 Apr 93

[By reporter Li Wei (2621 0251)]

[Text] Beijing, 21 Apr (ZHONGGUO XINWEN SHE)—A Sino-Singapore governmental agreement on aviation flights was signed here this afternoon. Chinese Premier Li Peng and visiting Singapore Prime Minister Goh Chok Tong attended the signing ceremony.

According to this agreement, China's civil airlines may choose 10 places in China as destinations for flights to and from Singapore. It has been learned that so far six cities have been chosen: Beijing, Shanghai, Guangzhou, Kunming, Shenzhen, and Xiamen. Singapore's planes may fly to seven cities in China.

Before China and Singapore established diplomatic relations, the aviation enterprises in the two countries signed a relevant agreement. Exchanges of flights between the two countries began in 1985.

Beijing, Brunei Sign Civil Air Transport Accord

OW0505114593 Beijing XINHUA in English 0936
GMT 5 May 93

[Text] Beijing, May 5 (XINHUA)—The Chinese and Brunei Governments signed an agreement relating to civil air transport here today.

This is the first official agreement between the two governments.

Jiang Zhuping, director-general of the China Civil Aviation Administration, and Zakaria bin Sulaiman, minister of communications of Brunei, signed the agreement.

Chinese State Councillor Luo Gan was present at the signing ceremony, before which he met with Zakaria and his party.

Both sides expressed the belief that the signing of the agreement would promote the development of bilateral relations.

After signing the agreement, Zakaria issued a brief statement, saying that the agreement is the sole inter-governmental agreement in this field signed in conformity with the spirit embodied in the joint communique of September 30, 1991, on the establishment of diplomatic relations between the two countries as well as in relevant documents signed between the two countries.

Therefore, he added, the maintenance of the air services between Brunei and Taiwan shall remain on a non-governmental basis. The flag marks on the aircraft of Taiwan and all aspects of any airline of Taiwan will be treated in consonance with the status of Taiwan affirmed in the joint communique of the establishment of diplomatic relations and relevant documents signed between the two countries.

West Europe

Qian Qichen Discusses Economic Ties in Sweden

OW0505173293 Beijing XINHUA in English 1534
GMT 5 May 93

[Text] Stockholm, May 5 (XINHUA)—Visiting Chinese Deputy Premier Qian Qichen forecast here today a

bright future for economic and trade cooperation between China and the Nordic nations.

At a luncheon hosted by the Swedish-Chinese Trade Council, Qian Qichen, who is also Chinese foreign minister, said he hoped Swedish businessmen and entrepreneurs would become actively involved in the competition for a share in huge Chinese market as it opened more to the outside world.

"Sweden has a strong ability in market exploration with its advanced technology," Qian said, adding that there was a great potential for cooperation in many fields between China and Sweden.

China's speedy economic development had created an urgent and increasing need for imported technology, facilities and materials which the Nordic states were well equipped to provide, Qian said.

"China looks for a peaceful international environment and stability at home and regards it as a guarantee for its economic construction," Qian stressed. China and Sweden and other Nordic countries shared common or similar views on many international issues and they had also established good bases for economic cooperation, he added.

Qian Qichen said that such cooperation based on mutual respect and benefit conformed to the interest of both sides as well as world peace, stability and prosperity.

Tom Wachtmeister, chairman of the Swedish-Chinese Trade Council, said that his council had been watching closely the high speed development of the Chinese economy and they were very happy to see the fast growing trade between the two countries.

Meets Foreign Minister

OW0505174893 Beijing XINHUA in English 1600
GMT 5 May 93

[Text] Stockholm, May 5 (XINHUA)—Visiting Chinese Deputy Premier Qian Qichen said here today that he hoped China and Sweden would further expand their economic cooperation and trade relations.

Qian, who is also China's foreign minister, was speaking during talks with Swedish Foreign Minister Margaretha Af Ugglas on broad issues in their relations.

Qian said that the increased exchange of high level visits over the past few years had promoted the trade between the two nations which had reached a new historical level last year.

He said that there was a great potential for trade and economic cooperation between the two nations. The new economic development targets set by the Chinese People's Congress recently had provided many such chances.

The deputy premier hoped the Swedish economic sectors would expand such relations with China.

Af Ugglas agreed with him on the fast growth of relations between the two countries and said that she was glad to see that Swedish exports to China had grown rapidly in recent years.

She said that Sweden was following with interest China's rapid economic development. Her nation hoped the relations between them in all fields to grow further, especially in trade and economic cooperations with mutual interest.

The two foreign ministers also exchanged views on international concerns, European and Asian developments in particular.

Tianjin Trade Fair Opens in Sweden 3 May

SK0505074393 *Tianjin People's Radio in Mandarin*
0000 GMT 5 May 93

[Text] The weekly 1993 Tianjin Trade Fair opened at the New World Trade Center of Stockholm, Sweden, on the morning of 3 May.

Tang Longbin, Chinese ambassador to Sweden, cut the ribbon for the opening ceremony of the trade fair. Present at the opening party were more than 200 people, including industrial, commercial, and trade people in Sweden. This trade fair was cosponsored by the Tianjin Municipal Foreign Trade Bureau, 11 import and export companies in Tianjin, and Tianjin Insurance Company.

Various kinds of new export commodities made by Tianjin since reform and opening up were displayed at the trade fair. These commodities include light industrial products; articles for cultural, educational, and sports use; textile goods; knit goods; woolen blankets; carpets; handicraft articles; local products; foodstuffs; special native products; and clothes. Various internationally fashionable clothes and knitted wear were deeply loved by the local people.

NPC's Wang Bingqian Meets German Delegation

OW0605103893 *Beijing XINHUA in English 1010*
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—Wang Bingqian, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met here today with a delegation from the Transportation Committee of Germany's Bundestag. The two sides held a cordial talk on the affairs of communications.

The seven-member German delegation, which arrived here yesterday as guests of the financial and economic committee of the NPC, is headed by Manfred Richter, parliamentary party manager of Germany.

The delegation is scheduled to visit Shanghai and Guangzhou after visiting Beijing.

Political & Social

Li Peng Reportedly Recovering From Heart Attack

HK0605040093 Hong Kong MING PAO in Chinese
6 May 93 p 6

[By special correspondent Chiao Hsin (0829 2450): "Li Peng, Suffering From Myocardial Infarction, Is Now Out of Danger"]

[Text] According to Beijing sources, the medical condition Chinese Premier Li Peng is suffering from is myocardial infarction, which has caused local necrosis of the cardiac tissue. However, according to the latest report, Li Peng is out of danger and can return to normal activity in one month or so. When Li Peng is ill, Zhu Rongji acts for the premier, but this is not announced to the outside world. As a result, no welcoming ceremony was arranged for the visiting Mozambique prime minister.

According to Beijing sources, Li Peng was rather seriously ill last month when he contracted the myocardial infarction. He is now receiving medical treatment in a military hospital.

Li Peng has no past record of heart disease. When going to the hospital, he only underwent regular physical check-ups. This time, his condition was critical. To organize the acute treatment, the hospital immediately summoned heart disease experts from various major hospitals in Beijing, including Beijing and Xiehe Hospitals, and a rescue team was formed. They adopted the most effective medicine and therapy as emergency treatment and were successful. At present, the damaged cardiac tissue has healed.

Reportedly, Li Peng is now out of danger and is making a satisfactory recovery. According to normal medical treatment, people who contract myocardial infarction must lie in bed and rest quietly to recuperate and must not talk too much or work. The period of such quiet recuperation is normally three months. Because Li Peng was treated in good time and has been recovering satisfactorily, it is expected that he will be able to resume some activities in one month or more. His family members are relieved.

The direct cause of Li Peng's disease is still unknown. The CPC top leadership is deeply concerned about his health. General Secretary Jiang Zemin has been directly informed about the development of his health. At the same time, the Central Committee General Office also briefed Deng Xiaoping and Chen Yun about Li Peng's health. The various quarters concerned are all paying close attention to Li Peng's health. The State Council General Office staff and Li Peng's family members have also looked after him day and night in the hospital.

Due to his heart disease, Li Peng could not attend to the scheduled domestic and foreign affairs. The prime minister of Mozambique recently visited China but Li Peng was receiving medical treatment in the hospital.

The top leadership has decided that when Li Peng is in the hospital, Zhu Rongji will be responsible for performing the premier's duties. However, because the seriousness of Li Peng's illness was not made public, Zhu could not use the title of "acting premier." So no official welcome ceremony by the government leader could be arranged for the prime minister of Mozambique.

Workers Ideological Study Society Anniversary

Jiang Zemin, Others Attend

OW0605050393 Beijing XINHUA Domestic Service in Chinese 1359 GMT 5 May 93

[By reporters Li Niangui (2621 1628 6311) Sun Benyao (1327 2609 1031)]

[Text] Beijing, 5 May (XINHUA)—A forum marking the 10th anniversary of the founding of the Chinese Workers' Ideological and Political Work Research Society [CWIPWRS] and of Deng Xiaoping inscribing the name for "SIXIANG ZHENGZHI GONGZUO YANJIU [STUDIES ON IDEOLOGICAL AND POLITICAL WORK]" was held today at the Great Hall of the People.

Comrades Jiang Zemin, Zhu Rongji, Ding Guangen, and Song Renqiong met with comrades who participated in the forum. Comrades Li Peng, Qiao Shi, Yao Yilin, and Song Ping penned inscriptions for the forum. Li Peng's inscription reads: "Emancipate the mind and seek truth from the facts to create a new situation for enterprises' ideological work." Qiao Shi's inscription reads: "Actively explore new methods for vivid ideological and political work in light of the new period." Yao Yilin's inscription reads: "Adhere to the principle of 'grasping two links at the same time,' and build a workers' rank with ideals, morality, culture and discipline." Song Ping's inscription reads: "The more we carry out reform and opening up to the outside world, the more we need to strengthen our ideological and political work."

Founded in January 1983, the CWIPWRS has gradually expanded and formed a nationwide ideological and political study network connecting industrial and transport enterprises and other departments at higher and lower levels. Currently, the study society has been set up in the nation's 30 provinces, autonomous regions, and municipalities, as well as 15 cities with provincial-level decision-making authority and all State Council ministries and commissions. The number of group members has reached 414. Of them, 262 are enterprise group members. The number of study groups established by localities and enterprises has reached 100,000. These study groups have developed the party's political advantage, and have persisted in conducting the study and practice of ideological and political work. They have not

only maintained and carried forward the fine tradition of ideological and political work, but also have explored and summarized fresh experiences, thereby contributing to the strengthening of the construction of the socialist spiritual civilization.

Xu Weicheng, deputy executive director of the CPC Central Committee Propaganda Department, presided over the forum. Yuan Baohua, president of the CWIPWRS, and others spoke. Yuan Baohua said: The more we deepen the reform, the wider we open up to the outside world, and the further we develop a socialist market economy; the more we need to develop our political advantage, do a good job in ideological and political work, and strengthen the building of socialist spiritual civilization.

To promote scientific study on ideological and political work, the CWIPWRS decided to award "honorary pioneer certificates" to 96 veteran comrades who had contributed to the construction and development of the CWIPWRS for many years.

Jiang on Importance of Ideological Work

OW0605043693 Beijing XINHUA Domestic Service in Chinese 1104 GMT 5 May 93

[By reporters Sun Benyao (1327 2609 1031) and Li Nianguai (2621 1628 6311)]

[Text] Beijing, 5 May (XINHUA)—While meeting representatives to a forum marking the 10th anniversary of the founding of the Chinese Workers' Ideological and Political Work Research Society [CWIPWRS] and Deng Xiaoping's inscription for the title of "SIXIANG ZHENGZHI GONGZUO YANJIU [STUDIES ON IDEOLOGICAL AND POLITICAL WORK]," Jiang Zemin, general secretary of the CPC Central Committee [CPCCC], said: It is necessary for us to adapt to a new situation and strengthen and improve the ideological and political work among the party and the society as a whole with the deepening of reform, opening to the outside world, and development of the socialist market economy.

Jiang Zemin, Zhu Rongji, Ding Guangen, and other leading comrades cordially met at the Great Hall of the People today with the representatives attending the forum. On behalf of the CPCCC, Jiang Zemin extended warm congratulations to the representatives.

Fully affirming the CWIPWRS' work, Jiang Zemin said: Over the past 10 years, all of you have conducted arduous research on the strengthening and improvement of ideological and political work in the new period, have accumulated new experiences, and have put forward many valuable opinions and suggestions.

Jiang Zemin said: Making unremitting efforts in doing ideological and political work is a fine tradition and political advantage of the CPC and an important means for building socialism with Chinese characteristics.

During the process of reform, opening up, and carrying out the modernization program, we should learn advanced technology, scientific management, and progressive cultural achievements of developed countries, including capitalist ones. Meanwhile it is necessary to resist the onslaught of various forms of corrupt thinking. Leading comrades at all levels should steadfastly adhere to the principle of "grasping two links" at the same time to upgrade both material and spiritual civilizations which are mutually supplementary. Only when we succeed in promoting the material and spiritual civilizations, can we say that our efforts to build socialism with Chinese characteristics are successful. If there is a downturn in people's thinking and an unhealthy tendency in society, it will be very difficult to promote the economy. Even if the economy were improved, the improvement would not last for long. We must thoroughly understand this dialectical relationship. Therefore, great efforts must be made to promote correct ideals and belief as well as noble moral standards, and to resolutely oppose money worship.

Jiang Zemin said: The first and foremost task for ideological and political work in enterprises is to arm the broad masses of workers and staff members, especially leading cadres, with Deng Xiaoping's theory of building socialism with Chinese characteristics. It is necessary to extensively advocate and carry forward the spirit of arduous work and selfless contribution. We must see to it that patriotism, collectivism, and socialism are deeply rooted in the mind of each and every worker and staff member. We should pay attention not only to the promotion of product quality and economic results, but also to the upgrading of the quality of the contingent of workers and staff members. Efforts should be made to cultivate a new generation of educated and disciplined people with lofty ideals and high moral standards and create a fine image of socialist enterprises.

Finally, Jiang Zemin sincerely expressed his hopes that the CWIPWRS will make greater contributions to strengthening and improving ideological and political work in enterprises in the new situation.

Li Ruihuan Calls For Greater Focus

OW0605092293 Beijing XINHUA in English 0908 GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—As China speeds up the pace of its drive toward modernization, the government should pay greater attention to ideological work among work staff to guard against such negative trends as money worship, egoism and hedonism.

The political advantage of the Chinese Communist Party should be brought into full play, based on the principle that the economy and politics complement each other.

Li Ruihuan, Standing Committee member of the Chinese Communist Party Central Committee's Politburo, made these remarks recently during a meeting with

officials from the China Society for Ideological and Political Work with work staff.

Li, who is also chairman of the National Committee of the Chinese People's Political Consultative Conference, congratulated the officials on the 10th anniversary of the establishment of the society.

Li quoted Deng Xiaoping as saying that to promote socialist modernization, it is necessary to open up and reform, to develop modern science and technology and to make use of the party's political advantages.

Neglecting ideological work could lead to a worsening of social ethics and work-style, which in turn would negatively affect economic development and social stability, Li said.

Li urged officials to do a better job in ideological affairs in the light of the new situation.

Reportage on Communist Youth League Congress

XINHUA 'News Analysis'

OW0605101993 Beijing XINHUA in English 1008
GMT 6 May 93

["News Analysis": "China Pins High Hopes on Younger Generation"]

[Text] Beijing, May 6 (XINHUA)—The 13th National Congress of the Chinese Communist Youth League (CCYL), currently in session here, has attracted national attention due to the increasing importance of China's youth to its economic modernization drive.

Over 1,400 delegates, with an average age of 30.6, are attending the congress. They represent more than 56 million CCYL members and young people who were born in China in the 1950s and 60s.

A new leading body of the CCYL will be elected during the week-long congress.

Nearly all of China's party and state leaders attended the opening ceremony of the congress on May 3, which shows they devote much attention to Chinese youth.

The century-striding younger generation will represent the future of the country, said observers. The congress has attracted more than 120 domestic and 55 overseas reporters.

As decided at the 14th National Congress of the Chinese Communist Party held in October of last year, China aims to create new economic mechanisms in the 90s and realize modernization by the middle of the next century.

This is a historic task faced by Chinese youth, said Hu Jintao, a member of the Standing Committee of the Political Bureau of the Party Central Committee, at the opening session of the congress.

China cannot develop without young people's arduous efforts, Hu said, showing his great hopes for the youth.

The Communist Youth League, an aide to the party and vanguard of Chinese youth, has trained a large number of important officials and outstanding personnel over the past years. Hu Yaobang, the late general secretary of Chinese Communist Party Central Committee, Hu Jintao, Hu Qili, minister of electronics industry, and Song Defu, minister of personnel, were all former secretaries of the CCYL Central Committee.

China is currently promoting more and more young people to positions of leadership. At present, the country has 25 million officials below 45 years old.

Born during a period of material shortage and grown up during the Cultural Revolution (1966-1976), contemporary Chinese youth have also experienced great changes brought about by the reform and opening policies carried out over the past 15 years.

"With emancipated minds, we support reform and opening to the outside world," said a delegate of the CCYL congress.

As supporters and beneficiaries of the reform and opening policies, China's youth will go on promoting the country's overall social development, observers said.

And to an increasing extent, China will depend on the younger generation to develop its market-oriented economy, they said.

Hu Jintao Speech

OW0605072993 Beijing XINHUA Domestic Service in Chinese 1223 GMT 3 May 93

[Speech by Hu Jintao, CPC Political Bureau member, at the 13th National Congress of the Chinese Communist Youth League in Beijing on 3 May: "Shoulder the Great Responsibility Entrusted by History"]

(Text) Beijing, 3 May (XINHUA)—Comrades and young friends:

The 13th National Congress of the Chinese Communist Youth League [CYL] is solemnly held here today. Entrusted by the CPC Central Committee [CPCCC], I would like to express my warm congratulations to the congress, to youths of all nationalities across the country, to all members of the CYL, and to all young workers.

This congress represents an important meeting in the CYL's history and a great event in the political life of China's youth. The CPCCC sincerely hopes that this will be a congress that carries the past tradition forward, makes new advances, and promotes unity and hard work. It is sincerely hoped that the congress will further mobilize the broad masses of CYL members and youths to work harder to accomplish all the goals and tasks defined by the 14th National CPC Congress and the First

Session of the Eighth National People's Congress, and to achieve even greater success in building socialism with Chinese characteristics.

During the past 15 years of reform and opening up, China has witnessed great success in socialist modernization and invigorating progress in youth movements. Under the CPC's leadership, the CYL has led millions upon millions of youths in writing a new chapter in history by working hard with a pioneering spirit and by making active contributions to the reform, opening up, and modernization drive. Tempering themselves in practice, the broad masses of youths have stood many tests. As a result, a generation of new people with high ideals, moral integrity, general education, and a sense of discipline are reaching maturity. Facts have proved and will continue to prove that China's youths are indeed an important force for building and safeguarding the motherland; that they are fresh troops for the cause of reform, opening up, and modernization; that they are a generation of people who are resolved to working hard and being bold in blazing new trails; and that they are a generation of promising people who will perform great endeavors.

In reviewing the extraordinary course of China's youth movements over the past 15 years, we believe that there are many valuable experiences worth summing up. The most important and fundamental one of which is that the great cause of socialism with Chinese characteristics led by the party needs to be inherited and carried forward by youths and that the healthy growth of the young generation can only be achieved under the care and guidance of the party. At all times we should have faith in youth, show concern for youth, and attach great importance to and bring into play their pioneering spirit and creative vitality. At all times China's youths should conscientiously accept the leadership of the CPC, maintain a resolute and firm political orientation, and actively engage in the great practice of the people.

Now, China's reform, opening up, and modernization drive has entered a new stage of invigorating development. Never before have the opportunities for economic development been as explicitly present as they are today. The period between now and the middle of the next century will be an important and valuable one for the prosperity of the motherland and for the expansion of its socialist cause. In the nineties, we will initially establish a new economic system and achieve the second-step objective of achieving a fairly comfortable standard of living. By the 100th anniversary of the CPC's founding, we will have a whole set of systems that are more mature and better shaped in all aspects. By the middle of next century when the Republic marks its 100th anniversary, we will have achieved our third-step goal of basically realizing socialist modernization. The basic tasks for the whole party and people of all nationalities across the country are that, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic line of the CPC, we should seize favorable opportunities to accelerate reform and

opening up, concentrate on economic development, and promote an all-round social progress. Creations by and the devotion of the younger generation are essential for invigorating the Chinese nation and for achieving our great cause that spans this and the next century. The awareness and struggle of the younger generation are needed in our efforts to ensure that the basic line of the CPC will remain unchanged for 100 years and that there will eventually be lasting good order in our country. Together with the people across the country, the broad masses of youths should get a clear understanding of the situation, seize the opportunity, and be bold in shouldering the great responsibility entrusted by history, and push forward the great cause of building socialism with Chinese characteristics.

The youth of our time should be a generation with lofty ideals. Ideals and faith are the strong moral prop and motive force for us to overcome difficulties and create a glorious future. The common ideal of the Chinese people at the present stage is to turn China into a prosperous, democratic, civilized [wen ming di 2429 2494 4104] and modern socialist country. Such an ideal reflects the objective law of social development and represents the people's fundamental interests and aspirations. The Chinese communists and the Chinese people of all nationalities are being inspired by it and are waging an unremitting struggle for it. The youth of our time should regard the realization of the common ideal as their lofty pursuit, and should integrate the objectives of their struggle with the people's creative activities of realizing the common ideal. To struggle for the common ideal is a concentrated manifestation of patriotism in the present stage. Young people should inherit the glorious traditions of the "May 4th Movement" and contribute their youth and strength to carrying forward patriotism, to achieving and defending socialist modernization, to promoting and upholding the reunification of the motherland, and to rejuvenating China. The party's basic line has clearly pointed out to us the correct road leading to the ideal. To realize the common ideal, we must uphold the line without any wavering. There will be difficulties, dangers, and obstacles on the road ahead. However, we certainly can realize our ideal so long as we firmly advance on the road of socialism with Chinese characteristics. This is a faith that the Chinese youth must firmly keep.

The youth of our time should study hard. Our cause is an unprecedentedly great cause, and we have many new circumstances to explore and many new problems to study. Our time is characterized by the rapid progress of the scientific and technological revolution, and we need to learn lots of new information and master many new technologies. To shoulder the heavy responsibilities entrusted to them by history, young people should regard study as their prime task and strive to enhance their ability to undertake socialist modernization. Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the latest result of integrating Marxism with China's realities; and it is the Marxism of

contemporary China, an effective ideological guidance for us to accomplish our new historic mission, and an effective ideology for training and bringing up millions and millions of successors to the socialist cause. Young people should seriously study and master the theory; know clearly the basic questions of how to build, consolidate and develop socialism in China—a country with relatively backward economy and culture; and constantly improve their own political quality and their ability to solve practical problems. Young people should painstakingly learn scientific and technological knowledge as well as general knowledge, which are necessary to the modernization drive and to the establishment of the socialist market economy; and they should strive to turn themselves into experts in their profession. It is necessary to boldly absorb and utilize all the fruits of civilization created by the human society. It is also necessary to absorb and utilize the advanced operational and managerial methods of all other countries, including the developed capitalist countries, which reflect the general law of modern socialized production and a commodity economy. Young people should persistently integrate theory with practice. In addition to acquiring knowledge from books, they should pay attention to learning during the course of practice; learn from the people, the older generations, and the People's Liberation Army; and derive nourishment and strength from the people's rich, practical activities. Through study and practice, they should improve themselves and turn themselves into qualified personnel for the socialist modernization program.

The young people of today should become a hard-working and pioneering generation. Comrade Jiang Zemin pointed out: "Our drive for socialist modernization is still in a difficult and pioneering period. The great pioneering practice needs to have the support and encouragement of a great pioneering spirit." The vast number of young people should emancipate their minds, seek truth from facts, and take the lead in fostering new ideas suited to the great cause of socialist modernization. They should vigorously engage in explorations and be bold bringing forth new ideas, blazing new trails, and starting new undertakings. They should vigorously devote themselves to reform, opening up to the outside world, and establishing and improving the socialist market economy. Taking the overall situation into account, they should work with one heart and one mind, correctly deal with contradictions and difficulties arising from the course of reform, and strive to maintain and develop the political situation of unity and stability. Ours is a big country with a large population, a poor foundation to start with, and a relatively backward economy and culture. To make our country prosperous and powerful, it is particularly necessary to carry forward the spirit of hard struggle, hard work, and practicing economy. Young people should go to basic units, to places where conditions are hardest, or to places where reform, opening up, and economic construction need them most. They should work hard, respect their work, and do their jobs well; they should be earnest and

practical and quietly immerse themselves in hard work in order to score first-rate achievements at ordinary posts. All young people who are determined to revitalize China should study and act in the pioneering spirit promoted by Comrade Jiang Zemin and contribute to bridling socialism with Chinese characteristics.

Young people of today should become a generation with a noble morality. To build socialism with Chinese characteristics, it is necessary to have not only a correct theory and a correct line but a healthy mental attitude and wholesome social practices. Young people are in a critical period, during which they are forming their world outlook. Fostering a correct life philosophy, a correct concept of values, and noble morality is of the utmost importance for the healthy growth of young people. In the new historical period, we should continue to vigorously promote the idea of serving the people, the spirit of dedication, and the collectivist spirit. This is an objective requirement of building socialism with Chinese characteristics, and it is an indispensable spiritual driving force and an ideological guarantee for undertaking modernization and developing the socialist market economy. Young people should understand that only when one's personal choice is compatible with the needs of society and the people will they be able to bring their values into full play and develop themselves in an all-round way. It is essential to correctly handle the relationship between the individual and society, to conscientiously identify one's own interests with the interests of the state and the collective, and realize one's own interests by safeguarding and developing the interests of the state and the collective. Young people should learn from Comrade Lei Feng. Following the example of heroes and model persons, they should take the lead in fostering the moral practices of unity and friendship, honesty and trustworthiness, finding it a pleasure to help others, and being ready to take up the cudgels for a just cause; they should take the lead in promoting a healthy, cultured, and scientific way of life, conscientiously observing discipline, maintaining social morality, observing professional ethics, and fostering lofty values. They should wage a resolute struggle against unhealthy trends and ugly social phenomena and resist the corrosive influence of money worship and other decadent ideas.

The CYL, a mass organization of advanced youths under the party's leadership, shoulders important responsibilities in guiding and directing youths. Since the Third Plenary Session of the 11th CPC Central Committee, the CYL, by making full use of its characteristics and strong points, has fulfilled all its functions and has done an enormous amount of work and played an important role in promoting the building of the material and spiritual civilizations. Given the magnificent goal established by the party and the historical responsibilities shouldered by youths in the new historical period, the CYL's position and role have become all the more important, and it has a great opportunity to create a new phase and make major progress in its work. As the party's assistant and

reserve force, the CYL should vigorously carry forward its glorious traditions of "acting whenever the party calls" and, under the guidance of the theory of building socialism with Chinese characteristics, unswervingly implement the party's basic line and carry out its work by focusing vigorously on the party's central task. It should mobilize and organize the vast number of youths to actively plunge themselves into the main battleground of economic construction and bring its shock brigade's role into full play to contribute to developing a socialist market economy; strengthening socialist democracy, legal system, and spiritual civilization; and promoting progress in all social endeavors. As the nucleus for uniting and educating youths, the CYL should always combine meritorious service with the work of educating youths. It should make unremitting efforts to intensely educate youngsters in the party's basic line, patriotism, collectivism, socialism, modern and contemporary history, China's conditions, and the Chinese nation's fine ideological and cultural traditions. At present, it should put special emphasis on patriotism, use patriotism to call on and unite youths, and guide and train them in practice to turn them into successors to the socialist cause. As the bridge and link between the party and government and youths, the CYL should forge close ties with the masses of young people, actively reflect their views and demands, earnestly serve them, and more effectively represent and protect their specific interests while safeguarding the general interests of the nation. The CYL should adapt itself to the new situation, strengthen its construction, and reform its work. Its cadres should foster a work style of seeking the truth and performing concrete deeds; penetrate the grass roots; work in a down-to-earth manner, seek practical results; serve the grass roots more successfully; help enliven the grass roots; and make constant efforts to enhance its organizations' appeal, unity, and fighting capability.

Bringing up tens of millions of successors to our socialist cause is a project of vital and lasting importance which will ensure against a lack of successors to our cause. Our burden is heavy and the road is long, and we must place the hopes for our cause on the shoulders of our youth. Party committees at all levels must recognize the importance of youth work from the strategic point of the future of the state and the nation and attend to the work of youths and the CYL as their major task. They must warmly cherish youths, set strict demands on them, and have full confidence in them. Leading cadres of the party at various levels must penetrate into the masses of young people on a regular basis, listen to their voices, make friends with them, perform concrete deeds for them, and become ardent supporters of their work. We must enhance our sense of urgency and adopt effective measures to step up the training of young cadres and bring up more young cadres as soon as possible. We must overcome the decadent ideas of giving priority only to seniority and demanding perfection. We must, in accordance with the policy of making the ranks of cadres more revolutionary, younger in average age, better educated, and professionally more competent and the principle of

promoting people having both ability and political integrity, vigorously promote outstanding young cadres so as to provide an organizational guarantee to the continuation of the party's cause. We must earnestly strengthen and improve the party's leadership over CYL work and support its organizations to conduct their work independently and creatively in light of the characteristics and demands of youth so as to bring the CYL's important role into full play. We must care for the growth of CYL cadres, provide them with more opportunities to study and temper themselves, and help them gain experience, knowledge, and ability in practice. The entire society must help create a fine environment and conditions for the healthy growth of our youngsters.

Comrades and young friends, Chinese youths not only has a glorious past but also a bright future. In the great struggle of the New Democratic Revolution and socialist construction, youths have performed immortal services. In the new journey of building socialism with Chinese characteristics, youths, likewise, can definitely score more brilliant achievements. Let us closely rally around the leadership of the CPC Central Committee with Comrade Jiang Zemin as the nucleus, hold aloft the great banner of building socialism with Chinese characteristics, and forge ahead courageously toward the magnificent goal set forth by the 14th national party congress!

The future will always belong to the generation of Chinese youths who have lofty ideals and struggle steadfastly!

A complete success to the congress!

Article Criticizes 'Local Protectionism'

HK0605080893 Beijing FAZHI RIBAO in Chinese
19 Apr 93 p 1

["Legal System Forum" article by Song Wenzhong (1345 2429 1813): "Viewing 'Local Protectionism' From Another Angle"]

[Text] The term "local protectionism" frequently appears in newspapers and magazines. This is a new term and cannot be found in the entries of the *Chinese Encyclopedic Dictionary*. Therefore, it is hard to define the connotation and denotation of this term. According to the interpretation of the present authoritative newspapers, local protectionism in fact refers to the selfish pettiness and narrowness of parochialism pursued by some people, who, for the sake of local economic interests, turn a blind eye and a deaf ear to the circulation of inferior and counterfeit commodities and connive at the illicit activities, thus jeopardizing the overall interests of the state and the fundamental interests of the people. This will also eventually harm local long-term interests. Such behavior debilitates the unity and dignity of the socialist legal system, and forms a major scourge of the socialist market economy.

Because the legal system in our country remains imperfect, and the situation of rule by man remains in some

fields. In recent years, severe action has been taken in all parts of the country to crack down on dealings in inferior and counterfeit commodities, but such things still continue to spread more and more widely. When the sword of law is being held high, some local government institutions open the protective umbrella of "local protectionism." At the same time, as there is no provision in the laws for punishing people pursuing local protectionism, some local government officials like to use this term as a shield, and their superiors also like to use this term to absolve them from blame. The mass media also often use the term "local protectionism" to make comments on various events. Thus, "local protectionism" has become a good excuse for getting off scot-free.

In a recently exposed case of counterfeit medicine, which was the most serious of this type since the PRC's founding, the No. 1 Veterinary Pharmaceutical Factory in Zhoukou Prefecture produced false medicine over a long time. On the one hand, many complaints against the production of false medicine were lodged with the authorities; on the other hand, government institutions continued to honor the criminals and promote them to higher official positions. Local public security personnel even "escorted" them; the prefectural bureau of industrial and commercial administration named the factory "outstanding enterprise producing brand-name high-quality products and keeping the good reputation of the trademarks," and the provincial agricultural and animal husbandry department conferred on the factory the title of "advanced enterprise." With so many "amulets," the criminals were even bolder and more blatant. If we only blame those local officials, who committed malfeasance so seriously, for "local protectionism," they would certainly be quite pleased to hear that, because, as usual, they would only have to write self-criticism and admit that they were wrong and would very easily get off scot-free. If that is the case, counterfeit and inferior commodities would never be thoroughly eliminated, and would cause endless trouble to the people and the nation.

In reality, local protectionism is often linked with some officials' malfeasance and bribe-taking. In localities where counterfeit and inferior commodities are sold in large quantities, local officials are often corrupt and the local law enforcement organs often fail to honestly perform their duties. If criminals did not pay "tributes" to these "gods," would they be willing to protect them? We must not use the term "local protectionism" to cover up the lawbreaking activities. In a country, the laws are tough rules that must be enforced in society. A term that is not adopted by the laws will have no deterring force against corrupt officials. In the reports about major economic criminal cases, the mass media should carefully use the term "local protectionism." The leading organs cannot use the term "local protectionism" to cover up their illegal activities. The term "local protectionism" is obviously irrelevant to the lawbreaking facts.

Symposium Views Controversies in Press Lawsuits

HK0605001693 Beijing ZHONGGUO XINWEN SHE
in Chinese 1332 GMT 15 Apr 93

[By reporter Liu Hongtao (0491 3163 3447)]

[Text] Yixing, 15 April (ZHONGGUO XINWEN SHE)—China's Press Law has not been promulgated for very long. The process of hearing the eye-catching press lawsuits is highly complicated and confusing. In the judicial practice and study of law there are controversies over the various aspects of press lawsuits. Mr. Wei Yongzheng, deputy chief editor of the Shanghai-based magazine XINWEN JIZHE [JOURNALISTS] summed up the controversies among the press and legal circles into 13 points.

In the speech he delivered at the Second Academic Forum on Press Disputes and Legal Responsibility, which was held today, Wei Yongzheng summed up the controversies into the following points:

- How should we approach the increasing number of press lawsuits? Some people are worried that this state of affairs is detrimental to supervision by public opinion. Others applaud it as an indication that the people's legal awareness has been enhanced and the building of the legal system has been improved. Still others maintain that it is unavoidable in press reform in a market economy and the journalists' liberty and sense of responsibility will be enhanced.
- What is the nature of the legal relationship of press lawsuits? At present, press lawsuits are all judged as civil disputes. What will be done if critical reports involve state organs and public servants?
- What are the important conditions for the criminal libel of press agencies? The subjective important condition for a criminal libel defined by the Criminal Law is direct intention. However, what the press is after is "a sensational effect" and "a pursuit of indictments" [bao da guang xi 0545 2092 1351 0674] and seldom libels on direct intention. Therefore, can indirect intention also form press libel?
- What are the important conditions for encroachment on one's reputation? Some people hold that all statements that do not tally with the facts form a rights encroachment and others maintain that minor or insignificant harms must not form such a rights encroachment.
- Can the right to privacy be regarded as an independent right? The current protection of the right to privacy as part of the right to reputation is an indirect protection.
- How should encroachment on the right to reputation be judged? According to the "General Civil Laws," there are two conditions for it, that is, if the person in question agrees or not and if the action is done out of profit. However, currently news and advertisements

are mixed up and confused. Moreover, in the market economy, newspapers are commodities and newspaper offices are enterprises. Will the publication of a portrait be regarded as an action out of profit?

- After a newspaper finds errors in its reports and corrects them or makes a reply to the litigant, what should be done if the latter still wants to prosecute the former?
- How should the legal responsibility of the news involved in a lawsuit be borne?
- How should the citizens' right to sue be protected? Will the risk mechanism be introduced if people unreasonably and worryingly take legal proceedings for the sake of resisting press criticisms or seeking the limelight? Will the loser of the lawsuit bear his counterpart's legal fees and other responsibility in addition to the case-hearing charges?
- On the debate over the principle of "those who wish will offer testimony," if a plaintiff or a defendant really has difficulties in offering testimony, what will be done?
- How should the amount of damages be set for rights encroachment by the press?
- In the course of legal hearings, can the press cover and make comments on them?
- Since the Press Law has not been promulgated for a long time, can "Regulations Concerning Press Disputes and Lawsuits" be formulated before the law is enacted?

'Treasure House' of Deng's Thinking Published

HK0505153793 Beijing RENMIN RIBAO in Chinese
18 Apr 93 p 1

[By Huang Weiting (7806 5517 3957): "'A Treasure House of Deng Xiaoping's Thinking' Published"]

[Text] *A Treasure House of Deng Xiaoping's Thinking* was recently published and distributed by Hongqi Publishing House. Comrade Bo Yibo inscribed the title.

This book comes in two volumes, with 15 parts, four appendices, and a total of 4.5 million characters. It gives a complete picture of Deng Xiaoping the person and an all-dimensional exposition of his thinking. It is a relatively comprehensive and systematic work incorporating the latest achievements in the studies on Deng Xiaoping and his thinking in and outside China. It covers the following: a general survey of the studies on Deng Xiaoping's thinking and life; Deng Xiaoping's thinking on philosophy, on building socialism with Chinese characteristics, economics, on science and technology, on party building, on democracy and legal system, on the building of socialist spiritual civilization, on education, on art and literature, on management, on military arts, on united front work, and on diplomacy; and Deng

Xiaoping studies overseas and in Hong Kong and Taiwan. This is a large, comprehensive reference book that studies Deng Xiaoping and his thinking in a systematic and inclusive way and is characterized by the integration of academic and ideological qualities with the quality as a source of data and knowledge. With rather high [jiao gao 6525 7559] academic value and considerable [jiao qiang 6525 1730] significance as a guide for today's work, it is a good book for doing propaganda on, learning from, and studying Deng Xiaoping and his thinking.

Unsold Expensive Urban Apartments 'Piling Up'

HK0605034893 Beijing CHINA DAILY in English
6 May 93 p 3

[Report: "Expensive But Empty Apartments 'Piling Up'"]

[Text] Empty commercial apartments are "piling up" in urban China because of sky-high prices despite heated construction, says China Consumer News.

Conservative figures from the State Statistic Bureau reveal that more than 500 million square metres of commodity apartments await buyers around the country—a stark contrast to the situation facing thousands of urban Chinese who want just a room to live in but cannot afford it.

The "stockpiling" of commercial buildings is attributed by the bureau to increased construction costs and the continuing skyrocketing of prices.

Consumer News says the price per square metre of an apartment jumped by 36 percent last year over 1991 following a 26 percent rise in building costs, bringing the price to more than 900 yuan (\$158) a square metre compared with about 700 yuan (\$123) in 1990.

Prices have hit 1,200-1,500 yuan a square metre in some large and medium-sized cities, which means that a family with an annual income of 5,000 yuan (\$877) have to save for at least 15 years to afford a two-room commercial apartment.

Officials from the Housing Reform Office under the State Council say most of the real estate business has been done between State-owned enterprises and institutions.

This is one reason why apartment prices stay high.

Another reason for the high prices is that people with private businesses, who earn much more than wage-earners, rush to buy commercial apartments as a means of investment.

The officials say the mushrooming of real estate companies has also partly prompted the price rise. For instance, the per square metre apartment price asked by real estate companies in Chengdu, capital of Southwest China's Sichuan Province, has soared to 2,000 yuan (\$350).

The record has topped 5,000 yuan in downtown Beijing.

Investment in urban commercial building construction increased 94 percent in 1992 over 1991 while the sales volume of apartment houses only rose by 43 percent to 31.5 billion yuan (\$5.5 billion), according to Consumer News.

To ease the housing crisis, the Chinese Government is taking steps to provide adequate accommodation for the country's 120,000 cramped urban families—those with less than 2 square metres of living space per person—before the end of this year.

Sources from the Ministry of Construction disclose that China built a record 160 million square metres of urban housing last year, 51 percent more than in 1991.

Over 80 percent of all commercial construction finished last year were apartments, down 1.3 percent from 1991.

Military

Faster Pace for Defense Legislation Urged

HK0505110293 Beijing JIEFANGJUN BAO in Chinese
29 Apr 93 p 1

[By Song Dan (1345 0030): "Further Speed Up the Pace of National Defense Legislation"]

[Text] Beijing, 27 April (JIEFANGJUN BAO)—A symposium on national defense legislation to probe ways to meet the needs of the socialist market economic structure and the state's legal system building and further accelerate national defense legislation was held in Beijing yesterday. Qin Jiwei, vice chairman of the National People's Congress [NPC] Standing Committee, and Chi Haotian, member of the Central Military Commission and defense minister, presided and delivered important speeches at the symposium.

Qin Jiwei pointed out: Strengthening and improving national defense legislation is both the objective demand for the realization of national defense modernization and the urgent necessity to safeguard the state's military interests and protect the legitimate rights and interests of the armed forces and military personnel. In the last few years fairly rapid progress has been made in national defense legislation. The successive promulgation of national defense and military laws, such as the Military Service Law, the Regulations Concerning the Active Service of Military Officers, and the Law on the Protection of Military Facilities has put an end to the situation in which there were no laws to abide by in national defense building. Nevertheless, in terms of the actual needs for national defense and army building, national defense legislation is still imperfect. Some important laws, such as the National Defense Law and the National Defense Mobilization Law, have not yet been enacted; there are still gaps in the coordination and convergence of laws and regulations; and as national defense and

army building develops, some existing laws and regulations need to be revised and substantiated. This being the case, we should further speed up the pace of national defense legislation. The NPC Standing Committee, which shoulders a solemn mission in this regard, should earnestly heed the opinions of officers and men of the armed forces, effectively perform its own duties, and actively promote national defense legislation in the spirit of being highly responsible for the people and the Army.

Qin Jiwei stressed: Legislation is a very serious task that needs great care. The legislature must act in strict accordance with the laws, strengthen study, do more investigations and study, maintain close ties with relevant professional departments, and make due contributions in consolidating national defense and promoting the building of a revolutionary, modern, and regular army.

At the beginning of the symposium, Chi Haotian said: Strengthening national defense legislation is an important measure to implement the task set by the 14th CPC National Congress to strengthen national defense building and promote the legalization of national defense building. For national defense building to better adapt itself to the new situation of building a socialist market economy, national defense legislation should be accelerated significantly.

Members of the Standing Committee and special committees of the NPC attending the symposium aired their views on and made suggestions for the acceleration of national defense legislation. They agreed: The legislation program formulated by the Central Military Commission for the Eighth Five-Year Plan is a programmatic document designed to strengthen the Army's legal-system building. National defense and army building badly needs a speedy enactment of laws, such as the National Defense Law, the National Defense Mobilization Law, and the National Defense Education Law. Cheng Jianning, director of the Military Commission General Office, briefed the symposium on the national defense legislation during the Seventh NPC; and Yang Fukun, director of the Military Commission Legislative Bureau, briefed the symposium on the Military Commission's legislation program for the Eighth Five-Year Plan and its implementation.

Chinese Forces, Casualties in Korean War Noted

HK0505143593 Hong Kong KUANG CHIAO CHING
in Chinese No 247, 16 Apr 93 pp 48-52

[Article by Yang Fu (2799 3637): "Number of Chinese Troops and Casualties in the Korean War"]

[Text] What Were the Conditions of Chinese Forces and Casualties in the Korean War in the Fifties?

The 40th anniversary of the end of the Korean war falls on 27 July this year. The fact that China sent its troops to Korea can be regarded as an earth-shaking action of the Chinese military in its history over the past century. However, over the years, the number of Chinese troops

participating in the war and the number of casualties has been kept secret, whereas some Western false estimation and exaggeration were believed to be historical facts. From an authoritative organ of the Chinese military, this author has recently gotten hold of the real facts of the number of Chinese troops sent to Korea in the name of "volunteers" and casualties, which are sufficient to reveal what has been the war's secret.

The CPC Boasted 5.4 Million Troops in the Early Days of the PRC's Founding

When the PRC was newly founded, the People's Liberation Army (PLA) boasted 4.6 million troops, and when large-scale military operations ended in May of the next year (1950), the PLA increased its troops to 5.4 million, of which 5.3 million were in the land force, 38,000 were in the Navy, and 57,000 were in the Air Force. The land force boasted 15 corps, 57 armies, and voluminous local garrison troops.

In May 1959, the CPC Central Committee decided to begin large-scale demobilization across the country so that it might be conducive to economic recovery. By October 1950, the PLA had reduced its troops to 4.6 million.

The Northeast Frontier Defense Boasted 260,000 Troops

The Korean civil war broke out in late June 1950, and only two days in its wake, the United States announced the dispatch of its troops to Korea and Taiwan. To insure the safety of China's northeast and to aid North Korea when necessary, Zhou Enlai presided over a defense conference on 7 July at which a decision was made to transfer three picked armies from the Central China Military Region (the original Fourth Field Army), namely the 38th, 39th and 40th Armies, to the Sino-Korean border to form the Northeast Frontier Defense together with the sole army in the northeast, the 42d Army, and the defense boasted 260,000 troops at that time.

Between early October and 18 October 1950 the supreme leadership, including Mao Zedong, finally decided to refrain from a declaration of war by the state after a 20-day repeated study, but to send part of the troops to fight in Korea in the name of "volunteers." Because of the "volunteers" title, there was certain difficulty in calculating the number of troops participating in the war. In principle, all troops that had crossed the Yalu Jiang were under the command of the "Chinese People's Volunteers" headquarters, and the number of troops entering Korea should be calculated on this basis. However, some rear units, as well as the air force of the volunteers, were stationed inside Chinese territory, and they were volunteers "who did not cross the river during the War To Resist U.S. Aggression and Aid Korea." At the same time, a small number of units that did not come under the command of the Volunteers Headquarters, such as some supporting units under the Northeast Military Command, would often enter Korea, causing

great difficulty in accurately calculating the number of Chinese troops in Korea. In view of such difficulty, the number of Chinese troops in Korea had to be calculated according to the units under the volunteers headquarters.

The First Batch of Volunteers That Entered Korea Numbered 300,000

On 19 October 1950, the volunteer troops officially crossed the Yalu Jiang and entered northern Korea (a regiment which served as the vanguard crossed the river on 16 October). By the end of October, the first batch of troops, six armies all told, had entered Korea. The six armies were the 38th, 39th, 40th, 42d, 50th, and 66th Armies (with three infantry divisions under each army); including 18 infantry divisions and three artillery divisions; with the total number of troops at 300,000, including 7,000 troops of logistics units.

In October 1951 the PLA Troops Expanded to 6.11 Million

In the wake of China sending its troops to Korea, the CPC Central Committee worried about the escalation of the war, and stopped demobilization at home, while expanding the Army anew. By October 1951, the PLA boasted 6.11 million troops.

The Growth and Cutback in the Number of Chinese Troops Participating in the Korean War

By June 1951, when the Chinese Army entered Korea, the two sides at war on the Korean battleground had conducted a warfare of movement likened to the playing of accordion, when one side advanced, the other side retreated, and vice versa. Out of the expansion of the operational scope and the need of reinforcement, China continued to increase the number of troops sent to Korea.

In early November 1950, China sent a reinforced corps (9th Corps) to Korea in preparation for the second campaign. The 20th, 26th, and 27th Armies under the command of the 9th Corps were originally under the command of the 3d Field Army. By mid-November 1951, troops entering Korea to participate in the war included nine field armies (commanding 30 infantry divisions), three artillery divisions, one antiaircraft artillery regiment, and four engineering regiments. There were altogether 450,000 troops, of which 380,000 were operational troops, and 70,000 were logistics and support troops.

In early January 1951, the volunteers launched the third campaign. At that time, there were six operational field armies (the 38th, 39th, 40th, 42d, 50th, and 66th Armies) of the volunteers, including 18 infantry divisions, three artillery divisions, totaling 230,000 troops all told. There were 100,000 troops in the logistics and support units. Some 900,000 troops of the 9th Corps, who had survived the bitter campaign at Changchun Ho,

were resting and being reorganized along Hamyang and Wonsan in Korea. At that time, Chinese troops in Korea numbered around 430,000.

By June 1951, Chinese Troops in Korea Numbered 950,000

Between January and April 1951, the "UN troops" launched a counteroffensive on the Korean battleground, and recovered Seoul. To change the war's situation, China sent its reinforced troops to the Korean battleground. In February, it sent the 19th Corps (originally troops under the North China Military Command, the 63d, 64th, and 65th Armies) to Korea; in April, the 3d Corps (originally troops under the Southwest Military Command, the 12th, 15th, and 60th Armies under the former Second Field Army) and the 47th Army under the Central and Southern China Military Command to Korea; at the same time, the 50th and 66th Armies, who had suffered comparatively great losses in combat earlier, were pulled out of Korea. By mid-June, the number of Chinese troops in Korea under the Chinese People's Volunteers' command was 950,000, all belonging to the land force, of which 770,000 were operational troops (in three corps, 14 field armies, 42 infantry divisions, eight ground artillery divisions, four antiaircraft artillery divisions, 11 engineering corps, and one public security division.) At that time, the number of troops of the Korean People's Army was 340,000 in the wake of expansion, all in six group armies.

In June 1951, a deadlock was shaping up on the Korean battleground; while ready to participate in talks, China sent another corps (the 20th Corps, commanding the 67th and 68th Armies) and another army which had just been reorganized (the 50th Army) to Korea to change the battleground situation. In September, another corps of a smaller scale (the 23d Corps of the reorganized Suiyuan Kuomintang insurrectionary troops, with only two armies and four divisions under its command) to Korea to build airfields. By October 1951, the number of Chinese troops in Korea was 1.1 million, the peak since the war broke out, of which there were 840,000 operational troops, including four corps, 17 field armies, 52 infantry divisions, in addition to eight ground artillery divisions, four antiaircraft artillery divisions, four tank regiments, and one motorized infantry corps; there were 220,000 troops in the rear supporting troops, including six logistics branches, four railway corps, one public security division, and 14 engineering corps; there was also one corps (the 23d Corps) building airfields, involving two armies and four divisions, with approximately 40,000 troops.

Five Air Force Divisions Stationed Inside China

Beginning in September 1951, the five China-based volunteers' air force divisions, including some 20,000 troops of its ground crews, came under the command of

the Chinese People's Volunteers' headquarters. However, with the exception of the pilots flying over Korea, the Air Force troops were stationed inside Chinese territory.

By the end of 1951, the CPC Boasted a Military Force of 6.26 Million Troops. Its Military Expenditure Accounted for 48 Percent of the State's Annual Financial Expenditure

In November 1951, the PLA began large-scale streamlining in view of the stable situation in the Korean War, and a tendency of settling the war through talks was making itself felt. At that time, the number of troops was 6.26 million (including the troops in Korea under the volunteers' name) and military expenditure accounted for 48 percent of the state's annual financial expenditure; the burden was quite heavy. That being the case, the Central Military Commission decided to axe the number of troops at home by half, and 200,000 troops in the Korean Army were also cut. In January 1952, the number of Chinese volunteer troops in Korea was axed to 900,000, which were in four corps, 17 field armies, 51 infantry divisions, eight ground artillery divisions, four antiaircraft artillery divisions, four divisions of railway corps, one public security division, and five logistics branches.

In autumn 1952, the CPC top echelon transferred another three field armies (the 23d, 24th, and 46th Armies) to Korea to replace four armies (the 20th, 26th, 27th, and 42d Armies) that were pulled out of Korea. In December 1952, Eisenhower was elected U.S. President; the Chinese leadership was anxious that U.S. troops might land on Korea from both sides; consequently, a second batch of four armies (the 1st, 16th, 23d, and 54th Armies) were sent to Korea to replace those to be pulled out; however, with the exception of one army (the 39th Army), the other armies to be pulled out were ordered to remain in Korea for the time being.

In March 1953, Chinese People's Volunteers Troops in Korea Numbered 1.35 Million

In March 1953, the number of Chinese troops in Korea reached the peak since the war broke out, which was 1.35 million, of which there were four corps of land force field troops (one of which concurrently took up command of the east coast headquarters); a west coast headquarters commanding 19 armies, 59 infantry divisions, 10 ground artillery divisions, five antiaircraft artillery divisions, 10 divisions of railway corps, seven tank regiments, 13 engineering corps; in addition to five logistics branches and one public security division.

In addition to the aforesaid 1.35 million Chinese troops in Korea, there was another field army of some 50,000 troops stationed inside China close to the frontier under the command of the volunteers headquarters and another 40,000 troops under the command of the volunteers air force headquarters, including nine air force divisions.

At that time, the strength of the Korean People's Army also reached its wartime peak through expansion; it had six corps with 450,000 troops, including local forces.

The ceasefire was implemented in Korea on 27 July 1953; at that time, China still had 18 field armies in Korea (because the 38th Army had been pulled out on the eve of the ceasefire). Together with logistics and supporting troops, the total number of troops was 1.3 million.

During the whole span of the Korean war, from 19 October 1950, when China officially sent its troops to Korea (officially, participation in the war began on 25 October) to 27 July 1953, when the ceasefire was executed, China had participated in the war for two years and nine months. Because of participation in the war on a rotation basis, the proportions of PLA troops reorganized toward the end of 1951 that had participated in the Korean war in the name of the volunteers are as follows:

General Proportions of Participation of the Whole Army

The number of field armies entering Korea was 25 (79 infantry divisions), accounting for 73 percent of the 34 field armies of the whole Army (109 divisions).

Sixteen artillery divisions entered Korea, accounting for 67 percent of the Army's 23 artillery divisions.

Ten divisions of railway corps entered Korea, accounting for 100 percent of the Army's 10 railway divisions.

Two public security divisions entered Korea, accounting for 12 percent of the Army's 17 public security divisions.

Twelve Air Force divisions entered Korea, accounting for 52 percent of the Army's 23 Air Force divisions.

Ten tank regiments entered Korea, accounting for 55 percent of the Army's 18 tank regiments.

Most PLA Operational Troops Had Participated in the War in Korea on a Rotation Basis

We can see from the above that, although troops were sent in the name of the "volunteers," the bulk of PLA operational troops had participated in the war in Korea on a rotational basis. The volunteers headquarters was, in actual fact, the PLA frontline headquarters in Korea. Volunteers Commander-in-Chief Peng Dehuai said in a joke: "What volunteers! I am not here voluntarily, but sent here at the order of the higher ups."

The number of troops of the aforesaid establishment put into the Korean war, calculated by the number of men who entered Korea to participate in the war, was 1.9 million. During the war, however, there were always losses resulting from deaths, casualties, missing in action, and illness; and over 400,000 officers and men

were sent to Korea from China for reinforcement. Calculating on this basis, the number of troops sent from China to Korea to participate in the war exceeded 2.3 million.

The Number of Troops Sent to Korea During the War Exceeded 2.3 Million

During the war, 12 divisions, with 59,000 ground crew and 672 aviators of the northeast-based Chinese Air Force, had participated in the war. During the Korean war, China also mobilized a large number of laborers to enter Korea to take up rear support work including manual transportation, building of railways and highways, and maintenance of warehouses, involving some 600,000 hands during the war. This way, counting the number of servicemen participating in the war and of laborers put together, more than 3 million people participated in the Korean War.

True Figures of Deaths and Casualties of Chinese in Korea

Regarding the deaths and casualties of China during the Korean War, the United States published its estimated figures during the war, and held the view that the number of deaths and casualties of the Chinese troops was 920,000; should the Korean Army be included, the number of deaths and casualties of the Chinese and Korean Armies was 1.42 million-1.5 million. This figure has been extensively quoted, and erroneously at that, in many Western and Hong Kong publications; in actual fact, they excessively overestimated their combat successes.

According to the most accurate statistics of deaths and calculation of hospitals receiving the wounded, the loss of the Chinese People's Volunteers during the Korean War was: 114,000 deaths in battle and accidents, 383,000 wounded, and 450,000 hospitalized for medical treatment.

In recent years, China has published various statistics on the above war loss figures. In some statistics, the number of combat deaths totalled 133,000, including 21,600 deaths in hospitals resulting from heavy wounds (refer to *Military Work of the Contemporary Chinese Army*, Article 4, China Academy of Social Sciences Publishing House, 1989 edition). However, in calculating casualties, cases of accidental casualties, frostbite, repeated wounds, and light casualties that did not involve hospitalization were excluded; hence, the figure of 366,000 in depletion of numbers in combat (ibid). Although the aforesaid statistics have certain grounds, they are not comprehensive.

The Number of Deaths of Chinese Troops on the Korean Battleground Was 152,000

During the Korean war, aside from those who died on the battleground and those who died in the hospital from serious wounds, there were also deaths resulting from illness, who were also regarded as martyrs in the War To Resist U.S. Aggression and Aid Korea. The number of

deaths from illness during the war was 13,000; added to the number of those who died in combat, accidental deaths, and deaths resulting from serious wounds, the total was 148,500. However, this figure was still not comprehensive, because during the war there were 25,600 missing in the Chinese troops, of whom 21,700 were announced to be POW's by the U.S. Army, and there were still some 4,000 missing; they should be regarded as being held in POW camps or having died on the battlefield. With this figure added, the number of deaths of the Chinese Army on the Korean battleground should be 152,000.

As to the number of wounded of the Chinese Army during the Korean war, although the hospital provided the figure of 383,000 wounded, that was just the number of people under medical treatment; but not all of them were wounded in action, for it included accidental casualties, frostbite, and repeated calculation (for example, when a person was wounded twice it would be calculated as two casualties). Should it be calculated based on accurate depleted numbers due to wounded in action, the number of wounded would be around 230,000.

China paid a certain price in sending its troops to Korea; however, it was not too heavy compared with its opponent. During the war, the U.S. Army announced that the number of deaths and casualties of the "UN troops" and South Korean Army was 460,000 (of whom, the U.S. Army suffered 33,000 deaths and 103,000 wounded in action; adding the number of deaths resulting from serious casualties and accidental deaths, the U.S. Army suffered 54,200 deaths in Korea) and two-thirds of them were caused by the Chinese troops. That being the case, the two sides were basically equal in terms of dead and wounded in action. However, during the war, the magnitude of U.S. firepower was more than 10-fold that of its Chinese counterpart (the U.S. Army launched 3.3 million tons of munitions, whereas China consumed only 250,000 tons of munitions), and the U.S. Army enjoyed overwhelming superiority in other technological conditions. From this we can see that the Chinese Army boasted comparatively high combat skills.

China's Direct Expenditure of the War Was \$2 Billion, and Some \$3.3 Billion When Indirect Expenditure of the War Was Added

During the Korean war, China consumed 6.2 billion yuan in direct war expenditure (according to the exchange rate at that time, \$2 billion), when indirect war expenditure was added, it exceeded 10 billion yuan (around \$3.3 billion), of which debt owed to the USSR for weaponry was 3 billion yuan. Whereas U.S. direct war expenditure exceeded \$20 billion, when indirect war expenditure was added, the total was \$60 billion.

Quantitative Statistics of Chinese Troops Gradually Pulled Out From Korea

In the wake of the initialing of the Korean Armistice Agreement, the Chinese leadership decided to gradually pull out Chinese troops in Korea with the stability in the

Korean situation. Between late July 1952, when the armistice became effective, and late December the same year, China had pulled out five armies from Korea (the 40th, 60th, 63d, 64th, and 65th Armies) and some artillery and supporting troops, including the railway and engineering corps. In 1954, China pulled out another four armies (the 12th, 15th, 47th, and 67th Armies) and another infantry division (the 33d Division) as well as the remainder of the railway corps, most artillery troops, and antiaircraft artillery troops. In 1955, China pulled out another four armies (the 24th, 46th, 50th, and 68th Armies.)

Through gradual pullout, by early 1956, the number of Chinese troops left in Korea was around 250,000, including organizations under the volunteers headquarters, the organizations of one corps (the 19th Corps headquarters), five field armies (the 1st, 16th, 21st, 23d, and 54th Armies), three ground artillery divisions, one antiaircraft artillery division, three tank regiments, four engineering corps, four motor vehicle regiments, and two logistics branches. Regarding these troops, the Chinese leaders originally decided to pull them all out from Korea so that they might return to China.

In the wake of the CPSU 20th Congress, the world situation underwent changes, especially with the surfacing of the Polish Poznan unrest and the Hungarian incident, and Chinese and Korean leaders worried that the United States would seize the opportunity to create incidents in the Far East; thus the two sides made a joint decision to postpone the pullout of the Chinese Peoples's Volunteers. After 1957, the world situation tended to be stable. When Mao Zedong attended the congress for delegates from Communist parties and workers' parties of various countries in Moscow in November 1957, he met with Kim Il-song, who was participating in the Moscow congress, and proposed on his own to pull out all the remaining volunteer troops in Korea in 1958.

According to the decision on the pullout negotiated between Mao Zedong and Kim Il-song, Zhou Enlai visited the DPRK on 19 February 1958, discussed and negotiated the steps and some specific issues concerning the pullout with DPRK leading members. The Chinese People's Volunteers pulled out in three batches between March and 25 October 1958, the eighth anniversary of the War To Resist U.S. Aggression and Aid Korea, and the pullout was thus completed. The 210,000 Chinese volunteers in Korea, including the volunteers headquarters organizations, the 1st, 16th, 21st, 23d, and 54th Armies, as well as its artillery and tank troops, had all returned to China.

Jiang Zemin Visits Hainan Armed Forces Units

*HK0605092893 Beijing JIEFANGJUN BAO in Chinese
21 Apr 93 p 1*

[By special correspondents Zhu Dacheng (2612 1129 2052) and Peng Zecheng (1756 3419 2052): "Chairman Jiang Visits 'Sentries of the Country's Remotest Corner'"]

[Text] When spring was still very much in the air in north China and the sunlight was mild, it was already scorching hot in Hainan—the motherland's treasure island.

After attending a celebration of the fifth founding anniversary of the Hainan Special Economic Zone, Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission, arrived in Sanya—an outpost in the South Sea—after traveling several hundred kilometers by car to see commanders and soldiers stationed there.

At 0800 on 18 April, Jiang Zemin, regardless of several days' fatigue, went on board a naval vessel for Dongmaozhou Island to inspect and visit officers and soldiers stationed there, in the company of Chi Haotian, state councilor, defense minister, and Central Military Commission member; and leaders of the Guangzhou Military Region, the Hainan Provincial CPC Committee, and the Hainan Military District, including Comrades Li Xilin, Ruan Chongwu, and Gong Pingqiu.

The sea breeze was blowing gently and the waves were rolling and pounding the fast sailing naval vessel. On the way, Jiang Zemin asked about the details of the armed forces unit stationed on the island. Guangzhou Military Regional Commander Li Zilin briefed him on how the armed forces unit was formed in northeast China in 1946, on how it fought from the north Manzhou region to the remotest corner of the country, and on how it had made brilliant achievements in war. Jiang Zemin said happily: In the past, the People's Army shed its blood for the liberation of all of China, now it is standing sentry for the construction of special economic zones. Its merits are indelible!

On the island, coconut trees and yearning [xiang si 4161 1835] trees were green and luxuriant and phoenix trees were beginning to change from green to red; there were also mangoes and pineapples.... Seeing all these, Chairman Jiang spoke highly of the enchanting tropical scenery.

Gong Pingqiu, Hainan Military District political commissar, told Chairman Jiang: More than 30 years ago, this was known as a "windy island"—the average wind force was 5 degrees [on the Beaufort scale]; it was also known as a "fire island," which registered an annual average temperature of 35 degrees Celsius, and also as a "barren island," where water was alkaline, land was infertile, and no plants grew. When Comrade Liu Shaoqi inspected the island in 1959, he hoped that commanders and soldiers would safeguard and love the island and build it into a "flower in the South Sea." Keeping his words in mind and working like the Foolish Old Man Who Removed the Mountains, officers and soldiers stationed on the island carried out land reclamation and soil improvement and planted 250,000 trees and flowers of all kinds. Now the average temperature is three to five degrees Celsius lower than the sixties and sandstorms have been markedly reduced; it has become a renowned

"garden on the sea." Hearing this, Chairman Jiang praised them by saying: "Officers and soldiers guarding this island are really terrific!"

Standing among officers and soldiers, Chairman Jiang said loudly: "Today I have come to see you all. It has been very difficult for you to guard this island for such a long time. I convey our cordial regards to you on behalf of the party Central Committee, the State Council, and the Central Military Commission!" Moved by the chairman's remarks, these officers and soldiers burst into long, enthusiastic applause.

After taking a group photograph with the officers and soldiers, Chairman Jiang presented them with 95 kinds of books totaling 300 copies and encouraged them by saying: "In your spare time after training and work, you should study some scientific and cultural knowledge. The books I have brought today are political, scientific and technological, as well as historical. This is 'spiritual food,' indispensable to young people's healthy growth." After hearing Chairman Jiang's remarks, the officers and soldiers immediately said: "Thank you for your amiable concern, chairman. We will certainly live up to your expectations and profound love."

In the "crystal palace" of the island recreational room, Chairman Jiang noted the colorful shells and sea rocks as well as the specimens of South Sea deep water lobsters, sea crabs, and sea birds. He also visited recreational facilities for ball and chess games. In the Karaoke room, Chairman Jiang told Luo Hainan, a cadre of the armed forces unit guarding the island: "While guarding the island, you should enrich the officers' and soldiers' spare-time cultural life." In the reading room, when Chairman Jiang saw a soldier's calligraphy on the wall, Chairman Jiang said praisingly: "These characters are not bad!" "This also shows the talents of soldiers trained in both military and civilian skills."

After a few minutes' rest, Chairman Jiang told Defense Minister Chi Haotian: "Let us go and see the soldiers' dormitories and mess."

When seeing the soldiers' tidy beds and squarely arranged blankets upon entering the soldiers' dormitories, Chairman Jiang asked: "There are many mosquitoes in south China, do not the soldiers have mosquito nets?" Political Commissar Gong Pingqiu, who was standing behind him, replied hurriedly: "Chairman, they have mosquito nets!" Then he took out one from inside a blanket and said: "The net poles are put under the bed, at night they will insert these poles at both ends of the bed. This is a unified rule made by the Guangzhou Military Region!" Chairman Jiang said satisfactorily: "All levels of leaders should be a little more considerate about the soldiers' lives."

In the soldiers' canteen, Chairman Jiang carefully looked at the weekly menu and then said happily: "There are steamed buns and noodles for breakfast, and meat, vegetables, and soup for lunch and dinner. Not bad." In the kitchen, he noticed neatly arranged utensils. He told

Comrade Luo Hainan: "Food hygiene should receive particular attention in southern armed forces units. Utensils and chopping boards for cooked and uncooked food should be strictly separated, otherwise soldiers will have stomachaches. In such cases, the food eaten will be useless, no matter how good it is." Luo Hainan replied hurriedly: "Please rest assured, chairman, we will do it well!"

In the citation room, Chairman Jiang saw an inscription written by Marshal Ye Jianying in 1960 when he inspected the island. He read the inscription aloud: "Holding the gun in the furthest south of Hainan, train hard to consolidate national defense; not allowing enemy planes and vessels to transgress, objects will be eliminated upon discovery." When seeing Comrade Guo Moruo's 1962 inscription "Remaining alert for national defense in the elm forest, outside the port, and around Dongmao and Ximao," Chairman Jiang told the people around him: "Now we still need powerful national defense for reform, opening up, and socialist modernization!" Subsequently Chairman Jiang wrote an inscription "Sentries of the country's remotest corner" for the officers and soldiers guarding the island.

After visiting these "sentries of the country's remotest corner," Chairman Jiang went by ship to inspect a naval unit. When approaching the port, Chairman Jiang saw a group of lined-up fleet officers and men saluting him. He stepped to one side of the ship to wave to the officers and men, regardless of the strong wind and big waves, which made the ship sway violently. When reviewing the naval unit's officers and men under the scorching sun, he kept waving to the officers and men standing on the naval vessel while expressing his regards loudly: "Hello, comrades!" "You have worked hard, comrades!"

After carefully listening to a report by the unit's leader, Chairman Jiang made important instructions. He said: You are located in a national defense outpost and should cultivate the idea of being prepared for danger in time of peace and being on the alert all time. You should safeguard the motherland's coasts; safeguard the motherland's reform, opening up, and modernization; and safeguard the people of the motherland so that they can live and work in contentment. I sincerely hope that you will make new contributions in the course of safeguarding and building the southern border. Subsequently, Chairman Jiang wrote an inscription "Be on the alert all the time and defend the country's southern border" for the officers and men.

At 1130, wet through with perspiration, Chairman Jiang bade farewell to the island and left the military port. His cordial visit left an unforgettable and beautiful memory for the officers and men.

Hainan District Relays Jiang Zemin Instructions

HK0505110493 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 30 Apr 93

[Text] The Hainan Provincial Military District party committee held an enlarged plenary meeting in Haikou on [words indistinct].

The meeting called on all officers and men of our military district to regard as an encouragement the important instructions and inscription made by a leading Central Military Commission cadre during his inspection of our district, and push the comprehensive building of the Army onto a new level.

Present at the meeting were members of the provincial party committee standing committee, Gong Pingqiu, (Zhang Zeren), Liu Chengbao, [words indistinct]; principal leaders of Army units at the regimental level and above; and cadres at the regimental level and above from departments directly under the provincial military district.

At the meeting, Comrade Gong Pingqiu, party committee secretary and political commissar of the provincial military district, gave a detailed introduction to [words indistinct], and relayed the spirit of important instructions and inscription made by a leading cadre of the Central Military Commission on the comprehensive building of the Army and the militia work.

He pointed out in his summing-up speech that Comrade Jiang Zemin, chairman of the Central Military Commission, paid a personal visit to the troops of our military district, and his greetings and inscription made during the inspection are a great encouragement to all officers and men of our military district. Gong Pingqiu urged the troops of our district to acquire a correct and thoroughgoing understanding of the great significance of the leading cadre's visit to our military district, translate the concern of the leading Central Military Commission cadre into a great motive force to strengthen the comprehensive building of the Army, make a success in implementing the spirit of the instructions and inscription made by the leading cadre, and carry out a high-quality comprehensive building of the Army in accordance with high standards.

He also called on all the officers and men of the provincial military district to [words indistinct], and try to become qualified guards of the Hainan Special Economic Zone and sentries of the remotest corner of the country.

Leaders Mark Peng Dehuai's Birth Anniversary

OW0505143693 Beijing XINHUA Domestic Service in
Chinese 1029 GMT 5 May 93

[By RENMIN RIBAO reporter Zheng Hong Fan (6774 13475400) and XINHUA reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 5 May (XINHUA)—The Central Military Commission held a discussion meeting in the Great Hall of the People today to mark the publication and distribution of the biography of Peng Dehuai, and his birthday, in order to cherish the memory of Marshal Peng Dehuai, a great proletarian revolutionary, statesman, and military strategist.

Speaking at the discussion meeting, Jiang Zemin, general secretary of the CPC Central Committee, president of the state, and chairman of the Central Military Commission, praised Comrade Peng Dehuai for his wholehearted dedication, faithfulness and honesty; for being unselfish and magnanimous; and for working hard in serving the party, the people, and the motherland during his revolutionary life over the past scores of years, thus demonstrating a communist's noble character. Jiang Zemin said: During many important struggles in our party's history, Comrade Peng Dehuai invariably took a firm stand, distinguished between right and wrong, set store by the interest of the revolution, and stepped forward bravely to safeguard and support the correct leadership and policy decisions of the party Central Committee with Comrade Mao Zedong as the core and to ward off interference by "leftists" or rightists, thus playing an important role in advancing the party's cause.

Qiao Shi, Li Ruihuan, Zhu Rongji, Hu Jintao, and others attended the discussion meeting.

Liu Huaqing, member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission, presided over and spoke at the meeting. Liu Huaqing said: Comrade Peng Dehuai was a great proletarian revolutionary, statesman, a military strategist well-known inside and outside China, one of the founders of the Chinese People's Liberation Army (PLA), and an outstanding leader of the party, the state, and the Army. During the revolutionary war period, he served in high-ranking leading posts in our Army for many years and was an important assistant for Chairman Mao and Commander Zhu De in directing the whole Army. In the many big, tough, and fierce battles he fought, he had many exploits and demonstrated his superb art of commanding troops, thus contributing to the formation of Mao Zedong's military thinking. After the founding of New China, he was in charge of the Military Commission's day-to-day work for many years. Under the leadership of the party Central Committee and Chairman Mao, he forwarded and implemented a series of important policy decisions in light of the national conditions and the situation in the Army, doing a great deal of initial work in transforming our Army from a purely land force to a combined military force, and in promoting the Army's modernization and regularization. He dedicated his life to the cause of liberation of the Chinese, to socialist construction, and to improving national defense. His exploits are numerous, and his name will be remembered generation after generation. His expositions and works on directing a military operation, on education and training, on equipment improvement, on management of troops, and

on ideological-political work have become valuable assets of our party and our Army.

Liu Huaqing said: Comrade Peng Dehuai was incomparably firm in his belief in communism; he was incomparably loyal to the party, the motherland, and the people. He was selfless and dauntless and honest and above-board. Adhering to principles, he was upright and never stooped to flattery. He always set store by the cause of the party and never haggled over personal safety, honor, or disgrace. He set strict demands on himself, lived in a plain and hardworking way, was honest in performing his official duties, and always spurred himself on as a public servant of the people.

Liu Huaqing said: The 14th party national congress and the First Session of the Eighth National People's Congress [NPC] have set new demands for building our Army. We are now faced with an urgent task of strengthening the building of our Army. We should conscientiously implement Comrade Deng Xiaoping's thinking on army building in the new period, study and carry forward the revolutionary spirit of Peng Dehuai and other revolutionaries of the older generation, inherit the traditions of the old Red Army, raise the building of our Army to a new level, and accomplish the sacred mission entrusted to us by the party and the people.

Zhang Zhen, vice chairman of the Central Military Commission, introduced the glorious life of Peng Dehuai at the commemoration meeting. He said: Comrade Peng Dehuai joined the Hunan Army in the spring of 1916. He joined the CPC in early 1928. In the summer of 1928, Peng Dehuai and Teng Daiyuan, Deng Ping, and Huang Gonglue resolutely led their troops to stage the well-known Pingjiang Uprising at the grim juncture when the Chinese revolution was at a low ebb following the failure of the Great Revolution. After the founding of New China, Comrade Peng Dehuai served as vice chairman of the Revolutionary Military Affairs Committee of the central people's government and chairman of the Northwest Military and Administrative Council. In June 1950, Comrade Peng Dehuai, as commander of the Chinese People's Volunteers, as well as its political commissar, led the volunteers into Korea. In commanding our troops, which had inferior equipment, he gained new experience in defeating the enemy troops equipped with modern weapons, thus enriching and developing Mao Zedong's military thinking. During the first and second NPC in 1954 and 1959, he was appointed vice premier, defense minister, and vice chairman of the National Defense Council. In September 1955, he was made marshal of the PRC. At the Lushan meeting in 1959, he was wrongly criticized and handled. On 29 November 1974, he died unclear of a false charge. In December 1978, Comrade Peng Dehuai was cleared of all false charges after the Third Plenary Session of the 11th CPC Central Committee made an overall and fair assessment of him.

Zhang Zhen said: Comrade Peng Dehuai's life was filled with brilliant fighting. All his life he was loyal to the

party and the people's cause. His numerous exploits and brilliant achievements have now become our very rich and valuable spiritual wealth.

The brilliant image of Comrade Peng Dehuai will always remain in the hearts of the whole party, the whole Army, and the people of the whole country.

Comrades Zhang Aiping, Hong Xuezhi, and Fang Qiang also spoke at the discussion meeting. The comrades at the meeting said that they would follow the example of Comrade Peng Dehuai and improve army building in the new period under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, and of the Central Military Commission, and in accordance with Comrade Deng Xiaoping's thinking for army building in the new period and with the requirement put forward by Comrade Jiang Zemin—"political qualification, military proficiency, good work style, strict discipline, and reliable logistical support."

Ding Guangen, Song Renqiong, Qin Jiwei, Chi Haotian, Luo Gan, Zhang Wannian, Wang Ping, Li Desheng, Yu Qiuli, Chen Xilian, Ye Fei, Liao Hansheng, Ma Wenrui, Yang Chengwu, Lu Zhengcao, Li Jukui, and relatives of Comrade Peng Dehuai attended the meeting.

Also attending the discussion meeting were responsible comrades from organs under the Central Committee, state organs, the three general departments of the PLA, various large military units in Beijing, and the Armed Police Headquarters.

Jiang Zemin on Peng's Deeds

OW0505144293 Beijing XINHUA Domestic Service in Chinese 0932 GMT 5 May 93

[Jiang Zemin speech at 5 May 1993 discussion meeting to commemorate the 95th birth anniversary of Peng Dehuai]

[Text] Beijing, 5 May (XINHUA)—Comrades:

Just now, Vice Chairman Liu Huaqing has talked about the meaning of this discussion meeting; Vice Chairman Zhang Zhen has systematically introduced Comrade Peng Dehuai's brilliant life; and Comrades Aiping, Xuezhi, and Fangqiang have also made speeches. Comrade Peng Dehuai's deeds are very touching, which call for deep thought and urge people to make progress courageously.

Comrade Peng Dehuai was a proletarian revolutionary of the older generation much loved by the people. He was also a statesman, military strategist, and one of the leaders of our army who enjoyed high prestige and commanded universal respect. From the period of the New Democratic Revolution to the period of socialist construction, he spared no effort in the performance of his duty, dedicated all his wisdom and strength to the country, and made immortal deeds. His splendid achievements were recorded in history.

During the several decades of his revolutionary life, Comrade Peng Dehuai was loyal to the party, the people, and the motherland; remained faithful and unyielding; and was open and aboveboard, unselfish and dauntless throughout his life. He endured great hardships and demonstrated the noble character of a communist.

In our party's history and at many critical moments of struggle, Comrade Peng Dehuai always took a firm stand and clearly distinguished between right and wrong. He attached importance to the interests of the revolution, came out boldly to defend and support the correct leadership and policy decisions of the party Central Committee with Comrade Mao Zedong at the core, eliminated interference from the "left" or right, and played an important role in promoting the development of the party's cause.

During the difficult revolutionary war period, Comrade Peng Dehuai shouldered the heavy task of directing battles. When he was in charge of a locality or took part in commanding the whole army, he was always capable of creatively employing Comrade Mao Zedong's military thought and strategical and tactical principles. He made outstanding contributions to our army's winning a series of major victories. From guerrilla wars in the initial period of the Red Army to the large-scale modern war to resist U.S. aggression and aid Korea, he always directed the battles at the frontline in a careful manner. He proved himself to be a noted military strategist with unusual courage and wisdom and brilliant art of command, and was well known at home and abroad. His military practice and writings have enriched and developed Mao Zedong military thought.

When the revolutionary cause was in a state of great danger, Comrade Peng Dehuai stood in no fear of hardships and danger, paid no attention to his personal safety, and always took the initiative in assuming most urgent and difficult tasks. For example, in the battle to defend Jingangshan, he directed more than 800 defenders in the bloody fight against the "encircling" enemy troops with a strength 20 times the defending force and successfully covered the shift of the Red Fourth Army. During the battle of Guanghuapu in the Long March, he directed units of the Third Army Group to block and attack the enemy troops at all costs to cover the main force of the Central Red Army in crossing the Xiang Jiang. In the battleground of northern Shaanxi, he accepted the dangerous task and directed the Shan-Gan-Ning Field Army to fight against enemy troops with a strength 10 times greater. He won the battle and thus insured absolute safety of the party Central Committee and Chairman Mao in northern Shaanxi. In the serious moment of the war in Korea, he willingly accepted the task and led the Chinese People's Volunteers to fight in Korea. His spirit of pressing forward in the face of difficulties was always praised and respected by cadres and masses.

In the building of the people's army, Comrade Peng Dehuai always adhered to the party's army building

principle and made many important contributions. When the war period changed into peace time, he made many actual investigations and studies. He called on the army to adhere to the party's leadership, carry forward fine traditions, improve political education, and coordinate relations within the army, and between the army and the government and between the army and the people. In the course of national defense building, he visited the whole country and expended all his energies in implementing the party's correct strategic policies. In the course of promoting the modernization of our army, he worked together with other comrades of the Central Military Commission and made many outstanding contributions in improving the organization of the army and building modern weapons and equipment in line with the actual conditions of our country and our army in accordance with the policy of the party Central Committee. His work opened up a new situation for military affairs and provided experiences which can be borrowed for planning the building of the army today.

Comrade Peng Dehuai always paid attention to the role of cadres, especially senior cadres, in setting good examples for others. He always set strict demands on military units and was forthright in making criticism. In daily work, he showed great concern for other people and patiently helped and guided other people. He repeatedly stressed that senior cadres must first be capable of doing things which should be done by cadres and fighters of various units, because only thus could senior cadres lead units to go through difficult tests. He was quite good at uniting and employing cadres "from all corners of the country," and proceeded from reality in doing all things. He paid attention to practical things and efficiency, and attached importance to doing solid work. He hated formalism and trickery. He called on senior cadres to always remember the hardships of the masses despite their high positions, refrain from assuming great airs or seeking self-interest, and serve the people wholeheartedly. His thinking and style still have an important educational significance for cadres of our party, government and army at various levels today.

Comrade Peng Dehuai was born into a poor family. He endured a difficult life and always had profound feelings toward the laboring people. Precisely because of this reason, he set strict demands on himself and always used the norm of laboring people's life for himself. He was honest in performing official duties, industrious and frugal. He always maintained the true color of a common laborer in the war years or in peace, and refused to receive special treatment. He also set strict demands on his relatives and his personal staff members. His style of setting strict demands on himself had a great impact on cadres and masses, and played a great role in rallying the whole army at all levels and encouraging all to make progress with courage and fighting spirit. His noble sentiment was praised by revolutionaries of the older generation and educated cadres from generation to generation.

In his long revolutionary struggle, Comrade Peng Dehuai fostered the noble character of standing high and seeing far, taking the whole situation into consideration, and enduring humiliation in order to carry out an important mission. When he was treated unfairly amid adverse circumstances, he still thought about the overall revolutionary situation, consciously obeyed the discipline of the party, was upright and principled, and firmly adhered to truth. People were indeed moved by his moral courage.

Comrade Peng Dehuai left honorable revolutionary deeds and valuable spiritual wealth for the whole party and the whole army. We shall forever cherish the memory of him, and learn from him.

Under the leadership of the party, our army is strengthening its building in an all-round way, taking the road of having picked troops with Chinese characteristics, and constantly raising its combat effectiveness in accordance with Comrade Deng Xiaoping's thinking on army building in the new period. This is also a great cause and will require hard struggle for several decades, or even longer. People of our generation have the heavy historical responsibility of carrying forward the revolutionary cause and forging ahead into the future. We must urge ourselves on with the spirit of heroic struggle of revolutionaries of the older generation; strive to study Marxism-Leninism and Mao Zedong Thought and, in particular, Comrade Deng Xiaoping's strategic thinking, theory and viewpoint; and constantly study new situations and solve new problems. In strengthening military building in an all-round way, we must continue to carry forward the fine traditions of our party and army, and maintain the characteristics and true quality of the people's army. Many young cadres have now assumed leading posts, and we must strengthen ideological and political education as well as professional training for them. We must persist in setting a high standard and demand. The revolutionary spirit and practical experience of revolutionaries of the older generation are very rich, and they are the crystallization of the bloodshed and struggle of people of several generations, and are the particular wealth of our party and army. We must properly study, inherit and carry forward their spirit and experience, and hand them down from generation to generation. Let us, under the party Central Committee's leadership, unite as one, work hard in a solid manner and constantly forge ahead in promoting the great cause of building socialism with Chinese characteristics.

Liu Huaqing Praises 'Good 8th Company'

OW0505145193 Shanghai JIEFANG RIBAO in Chinese
28 Apr 93 p 1

[Unattributed report: "It Is Necessary To Learn From the 'Good 8th Company' on Nanjing Road" Permanently and Unremittingly"]

[Text] We should learn from the "Good 8th Company on Nanjing Road" permanently and unremittingly and

regard the effort as an important measure to build up the Army ideologically. This was what Liu Huaqing, member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission, emphasized at a forum on learning from the "Good 8th Company" held in Shanghai by the Nanjing Military Region 26-27 April.

Others who spoke at the forum included Yu Yongbo, member of the CPC Central Committee and director of the General Political Department; Liu Anyuan, political commissar of the Nanjing Military Region; and Lan Baojing, director of the Nanjing Military Region Political Department. After hearing speeches by some comrades from grass-roots units in the Nanjing Military Region, Liu Huaqing delivered an important speech.

Liu Huaqing said: The "Good 8th Company" grew up under the cultivation of Marxism-Leninism-Mao Zedong Thought. It is a heroic group embodying communist ideology and morality and the traditional virtues of the Chinese nation, as well as an advanced model in building socialist spiritual civilization. In the new situation in which we are accelerating reform and opening up and developing a socialist market economy, vigorously publicizing the spirit of the "Good 8th Company" is of great significance to strengthening ideological and political work, to enhancing the troops' cohesive capacity and combat readiness, and to performing the sacred mission of defending the motherland's construction in an even better way. Neither material civilization nor spiritual civilization is dispensable, and each promotes the other. It is wrong to neglect the building of material and spiritual civilization, as well as ideological and political work. Learning from Lei Feng and the "Good 8th Company" is conducive to promoting spiritual civilization. Our country is still in the initial stage of socialism, and our economy and culture are even less developed. We have a big country with a large population and a poor foundation, and to turn such a country into a modern, powerful socialist nation, our tasks are very arduous and we must display a spirit of hard struggle.

Liu Huaqing called on party committees and leading cadres at all levels in the whole Army to justly and forcefully propagate the Good 8th Company's spirit of plain living, hard struggle, and selfless dedication; to educate officers and men in enhancing a soldier's sense of glory and mission; and to keep their minds on their duties within the units in order to make contributions. Leading cadres and organs at all levels must conscientiously organize successful learning activities from the "Good 8th Company on Nanjing Road," and, furthermore, earnestly practice what they advocate, take the lead in learning and living up to the spirit of the Good 8th Company, look upon learning from the Good 8th Company as an important measure to improve their own thinking and work style, integrate their efforts with implementing the decision by the Military Commission on carrying forward the fine tradition and stepping up the drive to promote honesty in the performance of official duties, and be truly honest and self-disciplined.

In his speech, Yu Yongbo said: The Good 8th Company has had many experiences, and the heart of the matter is "the spirit of plain living and hard struggle passed on from one generation to another, to remain uncontaminated for 30 years," which has been highly spoken of by Comrade Jiang Zemin. During the First Session of the Eighth National People's Congress, Comrade Jiang Zemin forwarded the 64 points of a pioneering spirit. They are an embodiment of the "five kinds of revolutionary spirit" consistently advocated by Comrade Deng Xiaoping, as well as a tremendous force for achieving the four modernizations and the regeneration of the Chinese nation, as well as for propelling forward the great undertaking of building socialism with Chinese characteristics. At present, because our Army's modernization is also in a difficult, pioneering period, vigorously advocating the pioneering spirit to arouse the revolutionary spirit and high morale of all the officers and men is an important task for the Army's ideological and political work during the new period.

The Shanghai Garrison Command regiment to which the Good 8th Company belongs, an engineering regiment, and the observation post of a brigade also gave briefings on their experiences and understanding of learning from the Good 8th Company.

Group Army Training Modernized

OW0605050193 Beijing XINHUA Domestic Service in Chinese 0729 GMT 5 May 93

[By XINHUA reporter Jia Fenyong (6328 1164 0516) and correspondent Fu Yongguo (0265 3057 0948): "Automation, Simulation, and Intensive Training—A Sketch of a Group Army's Modernized Training"]

[Text] Beijing, 5 May (XINHUA)—The vast tract of land between Yanmen Pass, west of Taihang Shan, and the grasslands of Yinshan is an old battleground where many battles have been fought. Today, a People's Liberation Army group army is garrisoned here. Pounded by the wave of modernization, soldiers of the group army are demonstrating their advanced abilities on the training ground.

They are aware that the traditional concept of military training must be changed in today's world, where battlefields are flooded with high-tech weapons and equipment.

In 1991, the group army led the rest of the Army in using a scientific, systematic, and regular method of managing weapons and equipment.

In 1992, the group army again led the rest of the Army in coordinating training and logistical support with the building of facilities for preparedness against war.

We first arrived at an open piece of land surrounded by mountains to view the group army's automated firing range.

Occupying an area of tens of thousands of square meters, the firing range is a huge open ground where firing practice for various types of weapons can be conducted. The firing range is equipped with advanced computer systems. All firing ranges—from those for tanks, anti-tank guided missiles, and directly aimed artillery to those displaying 50 targets for light weapons [qing wu qi 6535 2976 0892] at a time—are controlled by computers. Once computer programs containing the training rules and requirements are input into the computers, the movement of targets, command and monitoring, and computation of results are all automated. Here people would never have a chance to see the usual drill ground scene in the past, in which "a long wait followed every shot and one support personnel is needed for every two shooters."

Aside from automation, increased simulation is another important target in the modernization of training.

Inside a training room in the group army's communication regiment, we sat in the simulator for "mobile communication" [dong zhong tong 0520 0022 6639] and had a "battleground" taste of how signal troops accurately accomplish the task of receiving and dispatching messages as they march on. The "motor vehicle" was started amid a roaring motor sound. Accompanied by nonstop up-and-down bumping and shaking, the huge television screen in front of us displayed the scene of a battlefield where gunfire licked the heavens, shell craters spread all over the road surface, and smoke from gunpowder filled the air. After wearing earphones, we tapped the transmitting equipment in front of us and found our fingers unable to firmly press the ever-vibrating switches. Training in such an environment would surely produce solid skills.

At a training center for tank division officers, we viewed a spectacular battle simulation. After microcomputers displayed the maneuver plan, the "red" and "blue" armed forces began fighting. Instantaneously the TV screen in the director's room showed the offensive side's advanced fighters taking off one after another from an aircraft carrier, the sky illuminated with laser bombs dropping from strategic bombers, and dashing flames spurting from groups of tanks. We saw from the small screen intense fighting scenes with all kinds of weapons and ammunition sweeping through the length and breadth of the scene. According to Chen Jian, a regiment commander, directing a battle simulation is just like experiencing a real battle; it is an intensive duel of wit and courage. Apparently, to prepare for a real battle, it is necessary to experience several battle simulations of this kind.

The previous method of training troops at different locations cost time, energy, and money; and provided no assurance of success. After repeated verifications, the group army developed an intensive training method of combining arms, integrating subjects, and centralizing the location of training grounds. A large comprehensive special training ground was built near where troops were

being lodged. The training ground, built by a single arm but used by combined arms, has considerably enhanced training quality. At a training ground, we viewed some 1,000 officers and men from a tank division and a motorized infantry division undergoing training ranging from combined subjects to technical and tactical training for strengthening tank units' offensive capabilities. At a drill ground, we saw training grounds for a dozen specialized technical arms—including artillery, engineering, armored, communications, and scouting units—lining up in order. After the training order was issued, a magnificent scene of roaring tanks and armored vehicles and scouting troops shouting and fistfighting suddenly unfolded before our eyes.

It is understood that since the implementation of intensive training, the utilization rate of the group army's training grounds has reached 100 percent, while the training rates of subjects and personnel have reached 100 percent and over 95 percent respectively, and the time required for training has been reduced by 20 percent. Intensive training has opened up a modern training method for modernized combined forces, and will no doubt greatly enhance the quality of our army.

Economic & Agricultural

Surge in Beijing Staple Goods Prices Forecast

HK0605103993 Hong Kong AFP in English 1029 GMT
6 May 93

[Text] Beijing, May 6 (AFP)—The price of some staples will jump 15 to 20 percent in Beijing next week, economists and other experts said Thursday.

Experts say the sharp rise in the price of staples, including milk, flour and cooking oil, shows the extent to which the economy is overheating, sparking fears of double-digit inflation this year. The increase is to take effect after Monday.

A quarter of a litre of milk will rise 17.5 percent to 0.40 yuan (0.07 U.S. cents) from 0.34 yuan (0.05 cents).

Ration tickets for government-subsidised cereal products will be abolished in the capital Beijing as they have been in large cities in south China, a measure expected to lead to more price increases.

However, Beijing's municipal price bureau declined to confirm the price rise, with a city official advising simply to "keep a close eye on the news in the days just ahead," a city official said.

To compensate for the steep increase, public-sector employees are to receive a cost-of-living pay rise of about 10 yuan (1.7 dollars) a month, a sum viewed as largely insufficient since price rises are expected to be passed on to the consumer in most manufactured goods.

In the first quarter, retail prices in China's sprawling cities jumped 15.7 percent, the biggest rise since 1988, a year marked by hefty increases in inflation.

The steep rise in prices, coupled with increases in raw materials prices due to an investment frenzy leads Chinese economists to believe that inflation would surpass 10 percent this year, according to economists in China. Some economists predict, for the first time, a net loss of buying power in 1994 for China's some 300 million city-dwellers.

Official Discusses Property Right Transfers

HK0505110393 Beijing XINHUA Domestic Service in Chinese 0455 GMT 2 May 93

[By reporter Cheng Jian (2052 1696)]

[Text] Chengdu, 2 May (XINHUA)—Some new characteristics have appeared in China's enterprise property right transfers, which have developed quickly in recent years, said Jia Heting, deputy director of the State Commission for Restructuring the Economy Production Structure Department at the fourth annual meeting of the National Property Right Transfers Information Network called in Chengdu the other day.

—New breakthroughs have been made in intertrade and transregional enterprise mergers, which were rather difficult to conclude in the past. Last year, several transfers became the people's focus of attention. A school-run enterprise, which produces "Wahaha" children's foods, merged with the Hangzhou Canning Factory. The Hangzhou Auto Motors Plant concluded a merger in Anhui's Wuhu. The Shoudu Iron and Steel Corporation merged with the Beijing Heavy Machine Factory. Moreover, after taking over an American iron and steel corporation, it bought the property right of a Hong Kong enterprise. It also won an international tender, whereby it will become master of Peru's largest iron and steel corporation.

—Property right transfers conform more to the state's industrial policy and tilt toward pillar industries and foreign-exchange-earning enterprises. In order to achieve the goal of producing 150,000 cars and trucks each year, the Shanghai Municipal Auto Industry Corporation merged with Shanghai Radio's 31st Plant and the Aeronautic Standard Parts Factory. The Shanghai Bicycle's Third Plant and Fourth Plant jointly merged with the Second Plant and set up the Fenghuang Bicycle Company.

—Overall, enterprises' inventory assets changed to joint ventures with foreign businesses. Last year, 41 state-owned enterprises in Fujian's Quanzhou City pooled funds with foreign businesses.

—The transfer of enterprise property rights is organically integrated with joint-stock system reform. Some enterprises practice the joint-stock system in the form of merger. One type is to allow an inferior enterprise to

merge with a superior enterprise in the form of buying shares of assets, optimizing the allocation of production factors without increasing new investments. Another is that a superior enterprise buys and holds the shares of an inferior enterprise by means of capital, technology, and others.

China began enterprise property right transfers with the practice of enterprise mergers and has made great headway in them over the past dozen years or more. Enterprise mergers, in particular, have developed more quickly in recent years. According to statistics, as of the end of 1992, over 10,000 enterprises across the country had been merged.

Fraud by Joint-Venture Foreign Partners Viewed

HK0505123593 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0948 GMT 16 Apr 93

["Special article" by Zhao Duan (6392 4551): "Fraudulent Practices in Mainland 'Foreign-Funded Enterprises'"]

[Text] Beijing, 16 Apr (ZHONGGUO TONGXUN SHE)—Foreign-funded enterprises on the mainland are enjoying strong momentum of development. According to statistics from departments concerned, over 40,000 foreign-funded enterprises nationwide were approved in 1992, higher than the total of the last 13 years. Some foreign businesses invested 70 percent, or even 90 percent of capital in the form of tangible plants and equipment. Joint ventures of this form produce faster results. Many foreign-funded enterprises are reporting outstanding performance because of the relatively advanced equipment supplied by their foreign partners. The worry is that fraudulent practices have occurred from time to time and are becoming increasingly serious.

Problems occur when some foreign businesses supply goods not in conformity with agreed terms, are high-priced, or are inferior in quality, and profit by underpricing their exported products, causing losses for the Chinese partners, banks, insurance firms, and local governments. Concerned experts estimated that through the two means of overpricing equipment imports and underpricing exported products, the foreign partners of foreign-funded enterprises have managed to siphon some \$3 billion worth of wealth from China.

Reasons: 1) Poor access to international market information and lack of understanding of comparable machinery and equipment made it difficult for the Chinese partners to accurately estimate the quality, level, and prices of machinery and equipment invested in by their foreign partners. Taking advantage of the ignorance, foreign businesses overpriced their machinery and equipment. 2) Knowing that their Chinese partners knew nothing about the merchandise, foreign partners renovated old equipment and priced it as new. Assessments by commercial inspection departments found that most of foreign businesses overrated the value of the invested equipment. In 1990, 124

commodities from foreign-funded enterprises had a higher-than-average net import price, six of them over 10 times higher. From November 1991 to the end of 1992, the commercial inspection departments of Tianjin city and Fujian and Jiangsu Provinces assessed a total of 155 sets of invested equipment and found the filed prices were all false, being 28.8 percent higher than the real prices.

According to reports, a Canadian firm initiated five compensation trade projects in Beijing, Suzhou, Changzhou, Jilin, and Tianjin in which it sold the equipment for the processing of foreign-supplied materials. All the equipment was identical in model and each was priced at \$2.4 million. Inspections by commercial inspection departments later found that the five pieces of equipment were assembled from old parts manufactured in the United States and Canada in the seventies and amounted only to some \$900,000 in total value. Except the one in Suzhou, now barely running at one tenth of its capacity, the remaining four have all been scrapped. The foreign business responsible for this has fled a long time ago. The foreign party of a joint-capital textile printing and dyeing firm in Henan purchased equipment from Taiwan for \$370,000, but reported its value to be \$890,000 to the Chinese party. Some foreign businesses have also cheated mainland banks. In 1990, Baifu Shoes Company Limited, a sole-capital Taiwan venture in Fuzhou, borrowed \$1.07 million from the Bank of China Fuzhou Branch on its \$1 million registered capital. In February 1992, the company closed down without warning and without settling the loan. The responsible persons gave up the factory, returned to Taiwan, and severed all ties. The loan could not be recovered. The \$550,000-rated production installation was assessed by the Fuzhou Commercial Bureau to be worth \$190,000. Some foreign businesses painted their old equipment and shipped it to China as new merchandise. A light-bulb factory wanted its foreign partner to purchase new equipment, but found that 41 of the 54 pieces of machinery imported were second-hand wares passed off as new.

Faced with various fraudulent practices, a general assessment of the value of foreign-invested equipment was launched among local commercial inspection departments. Preliminary statistics from Guangdong, Fujian, Jiangsu, Zhejiang, and Tianjin on the assessment of 156 sets of foreign-invested equipment from early 1991 to July, 1992 adjusted the total value from the \$66.26 million filed by foreign businesses, to some \$50.81 million, down 23 percent on average. This has saved the Chinese partners \$15.44 million in direct economic loss. Meanwhile, commercial inspection departments are actively strengthening cooperation with general customs, economic and trade, auditing, and financial departments, taxation bureau, banks, and insurance and accounting firms to plug management loopholes. The key here is demanding that foreign partners show the imported equipment quality-guarantee certificate and

operating conditions report. Banks will not issue loans and insurance firms will not accept insurance without these two documents.

Prevention of Official Profiteering Urged

HK0505121593 Beijing BAOKAN WENZHAI in Chinese 8 April 93 p 1

[Article "excerpted" by Zhang Ruogang (1728 5387 0342): "Guard Against 'Official Profiteering' Spreading Unchecked Again"]

[Text] In his article carried by the QIYEJIA BAO on 29 March, Sun Ling pointed out that it is necessary to guard against official profiteering spreading unchecked again. The article stated: The present company craze is different from that in 1988 in many respects, but they are basically identical in two.

First, the power has found its way into the market.

When official profiteering prevailed in the market last time, the companies run by cadres did not have their ties severed with the units to which the cadres belong, so the cadres could directly exercise their powers, thus mixing "government" with "commercial undertakings."

If the power directly entered, so to speak, the market in 1988, it indirectly entered the market now. According to regulations, cadres who run companies should sever their ties with the units to which they originally belonged. But some officials who are running companies have their ties severed with their original units only in form but not in reality. The public security bureau of a certain county set up three companies, which, they claimed, had no connection with the public security bureau. All these three companies invariably dealt in firecrackers, which were imported from Liuyang, Hunan. Since the three companies went into operation, the other two companies in the county which had been dealing in firecrackers could no longer order firecrackers for sale, because the public security bureau refused to issue import licenses to them. Accordingly, the three companies run by the public security bureau rapidly monopolized the market for firecrackers in the county. I should like to ask: Is there any difference between such companies and those companies directly run by government departments?

Second, tension in supply of material products [wu zi chan pin 3670 6327 3934 0756] remains.

In 1988, official profiteers mainly took advantage of the "double-track pricing system." In the last few years, however, China has achieved marked economic growth and there was an abundant supply of goods in the market. But generally speaking, goods are still in short supply. What is different from 1988 is that the present supply of consumer goods can meet the demand. As a result, nobody resells consumer goods like television sets and refrigerators at a profit, but things are entirely different with capital goods such as rolled steel, timber,

cement, and petroleum, of which the supply falls far short of demand. Although the market-regulated prices of these goods have been readjusted upward by a big margin, some people can still obtain them at planned prices. These people can naturally profit by "reselling" them in the market. A certain government department sent an application to the deputy governor responsible for economic matters for 1,000 tonnes of rolled steel, which the department said would be used for building residential units. The department director told the deputy governor when giving him the application: The department has set up a company. If the company failed to make money, we would be unable to justify ourselves. So we are thinking of obtaining a small amount of rolled steel. The deputy governor, who clearly knew where the rolled steel would go, then picked up a pen and signed approval. The price he fixed, which was referred to as an intermediary price, was a little higher than the planned price but still much lower than the market price. Such a practice may be regarded as passable by people involved and the public, because: One, the practice is seemingly lawful if an official report on this transaction is to be made; two, the steel is not sold at the planned price.

Since the power has entered the market, there exists the possibility for "profiteering;" since the material products are in short supply, there exists the necessity of "profiteering." Putting the possibility and necessity together inevitably results in "official profiteering."

New Regulations on Imports, Exports Issued

OW0605100693 Beijing XINHUA in English 0819
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—China's customs recently issued a new set of regulations on imports and exports in the country's open areas.

According to the regulations, institutions and enterprises in state-designated open cities and open coastal economic areas will enjoy preferential tariffs and consolidated industrial and commercial taxes in certain types of imports and exports.

The new regulations stipulate that in foreign-funded enterprises, equipment and construction materials imported for production and management, and raw materials, parts and packaging materials imported for the production of export commodities, will be exempted from tariffs and taxes.

A reasonable amount of communications facilities and office equipment, and household appliances for personal use by the overseas staff of these enterprises will be exempted from tariffs and taxes.

Export products of these foreign-funded enterprises, except those under state control, will be exempted from export tariffs.

Office equipment and communication facilities imported by foreign representative offices in open cities, within certain limits, will be exempted from import tariffs.

Important equipment, instruments and parts imported for the technological transformation of enterprises, which cannot be produced or obtained in the domestic market, will be exempted from import tariffs.

Seeds and seedlings, stock, feed, and medicine for animals, farm chemicals imported for farm exports, agricultural processing equipment and other necessary technology imported for the development of farm produce, will be exempted from tariffs and taxes.

Policies for Foreign Investors in Power Industry

HK0605035893 Beijing CHINA DAILY in English
6 May 93 p 1

[By staff reporter Chang Weimin: "Revamped Power Field Awaits New Investors"]

[Text] In a major move to step up China's energy development, the government has announced new policies to attract foreign investment in the power industry.

In briefing reporters in Beijing yesterday on China's ambitious power development programme for the 1993-97 period, the newly appointed Minister of Power Industry, Shi Dazhen, said foreign investment is expected to play a big role.

The Ministry of Power Industry plans to increase the country's electrical production capacity—now about 165 million kilowatts-by 75 million to 85 million kilowatts in the next five years.

The increase is much more than originally planned.

Only 70 percent of 80 percent of the financing can be raised domestically, however. Overseas investors are expected to fill the gap, Shi said.

"We welcome overseas investors to launch joint or solely owned power stations in our country," said Shi, who is to serve a five-year term.

Reports show foreign businesses' interest in China's power industry has grown and more firms are seeking opportunities to start power projects.

In Shandong Province, which needs at least 1.55 million more kilowatt-hours, a foreign exchange quota of \$1.5 billion will be set aside to ensure that overseas investors can withdraw their profits in foreign currency.

Letters of intent on \$2 billion worth of power projects in the province have been signed with overseas firms, according to Cha Keming, Vice-Minister of Power Industry.

Shi promised strong support to any foreign-funded power project.

China last year produced 740 billion kilowatt-hours, or 600 per capita, only 40 percent of the international average.

About 120 million people in rural areas have no power at all.

The capacity has been overextended with no generators in reserve. A failure of a single machine could immediately curtail power to work units and urban residents.

To pave the way for co-operation with overseas firms, the industry will strongly push forward reforms in electricity pricing and will experiment with shareholding in enterprises.

"We expect to have turned the industry into a mechanism in line with the international conventions when (my) five years expire," Shi said.

"We must ensure that foreign investors in the industry take back money in terms of foreign currency," he said.

The ministry will strive to raise the present low prices of electricity so that power plants can not only recover the investment in due time but also make profits.

However, Shi said, moderate government control over electricity pricing will be needed to protect consumers' interest.

For decades, the central government has strictly controlled power prices, which have been too low for power stations, all of them State owned, to recoup investment, let alone making profits.

Shi said the ministry has made plans for the pricing system and will support the Pudong New Area in Shanghai to play a pioneer role in pricing reforms.

Also, Shi said, shareholding is set to be adopted in all power stations within five years.

Official on Efforts To Create 10 Million Jobs

OW0405135793 Beijing XINHUA in English 1309 GMT 4 May 93

[Text] Beijing, May 4 (XINHUA)—China will try every means this year to create job opportunities for the 10 million surplus workers in state-owned enterprises, according to Zhu Jiazhen, vice minister of labor.

Zhu told a conference here today that there is a total of 77 million workers in state-owned enterprises. However, about one seventh of them are surplus to requirements.

According to Zhu, the assistance of all social sectors is needed in placing the redundant workers in employment. But he said the burden will mainly fall on the shoulders of the enterprises themselves.

Zhu said the state will aid the enterprises in handling the surplus labor problem, and will widen the scope of unemployment insurance.

The legal interests of surplus workers should be guaranteed, the vice minister stressed, particularly in the case of women and aged workers, and particular attention should be paid to retraining.

According to Zhu, state unemployment insurance plays an important role in ensuring the basic living requirements of the unemployed and promotes the reform of the state's labor system.

Statistics reveal that, so far, unemployment insurance has provided relief to a total of 650,000 unemployed workers.

Meanwhile, the state employment service has so far provided jobs for 300,000 persons.

Slow Bond Sales Prompt Extended Issuance Period

HK0605034693 Beijing CHINA DAILY in English 6 May 93 p 2

[Article by staff reporter Ren Kan: "Treasury Bond Sales Have To Be Prolonged"]

[Text] The Ministry of Finance will prolong the issuance period for 1993 treasury bonds because of sluggish sales across the country.

But the ministry does not state the new expiry date, originally April 30.

China plans to issue 30 billion yuan (\$5.26 billion) worth of State treasury bonds this year.

The issuance was moved forward to March 1, two months earlier than usual, in the hope that the treasury bonds would be sold before enterprise bonds flood the market later this year.

However, the bonds have yielded only 4 billion yuan (\$701 million), less than 15 percent of the targeted figure.

For example, just 250 million yuan (\$43.1 million) worth had been sold in Shanghai by the end of March. The city is required to sell 1.75 billion yuan (\$301.7 million) worth of bonds this year.

Meanwhile, trading prices on the bonds have fallen below their face value at most of the trading centres.

Trading itself has been in the doldrums with a small volume transacted.

Chinese, who queued to buy treasury bonds in the first half of last year, have turned a cold shoulder to the bonds since June.

Analysts say the bullishness of the stock market and bonds issued by enterprises and finance institutions, usually with higher interest rates, have contributed to the declining market.

Chinese investors have been lured by the prospect of spectacular profits in stocks and property and have spurned treasury bills that barely keep pace with inflation.

This year's five-year and three-year bonds carry coupons of 11 percent and 10 percent respectively.

Although these rates have registered an 0.5 percentage points rise respectively over last year's level, the 1993 bonds have still failed to attract more investors now that inflation is running at over 10 percent in major cities.

Some debentures issued by enterprises outside the State plan carry an interest rate two times higher than that for the treasury bonds.

Ministry of Finance officials say the central government is working on a package plan to ensure bond sales but the details are still unavailable.

Analysts note that the State Council issued a circular last month, reiterating government vows to curb fund-raising drives and punish those who violate bond issuance regulations.

This enforcement, if carried out to the letter of the law, will help create a favorable environment for the treasury bonds, analysts say.

Official Urges Better Futures Market Development

HK0605100293 Beijing JINGJI RIBAO in Chinese
19 Apr 93 p 8

[Article by Gao Shangquan (7559 1424 0356), vice minister of the State Commission for Restructuring the Economy and member of the Eighth National Committee of the Chinese People's Political Consultative Conference: "First Dig a Ditch, Then Fill it With Water"—On Developing China's Futures Market"]

[Text] In recent years, with a view to developing China's futures trading, the Zhengzhou Central Grain Wholesale Market, the Shenzhen Nonferrous Metals Exchange, the Shanghai Metals Exchange, the Suzhou Commodities Exchange, and the Shanghai Cereals and Oils Commodities Exchange have been under preparation. Recently, coal, chemical, petroleum, and other major industries have set up large markets for trading capital goods by introducing the futures mechanism. As a big country of commodity resources, China has huge potential for developing the futures market.

Overall, the initial development of China's futures market is stable and sound, but recently there have cropped up some problems calling for attention. First, although some localities and departments had great enthusiasm in setting up futures markets, they mistook the long-term forward contracts based on physical goods settlements and certain spot goods wholesales as futures readings because they did not have any knowledge about the futures market and its basic functions and were

misled by propaganda. This shows that we are badly short of well-trained managerial, trading, and research personnel who are professionally proficient in the futures sector. It will still take a process for society to have a genuine understanding of the modern futures market.

Second, China's pricing structure is not perfect and the market mechanism is not sound. The barriers between different departments and regions, the frictions of the double-track system, and the existing traditional conceptions are also hindering the sound development of the futures market. Moreover, in the absence of a national unified futures monitoring organ and unified laws and regulations concerning the buying and selling of futures, it is difficult to make overall planning for and strengthen management of futures market development. Taking advantage of this situation, some foreign brokerage companies, brokerage companies from outside the territory, and unauthorized brokerage companies cheated their clients, thus defaming the futures brokerage.

Probing futures trading and running the futures market on a trial basis is necessary for establishing a socialist market economic structure. Therefore, it is necessary to set up a national unified futures monitoring organ. I suggest expanding the current National Securities Administration Committee into a National Futures and Securities Administration Committee, under which there is a China Futures Monitoring Committee with the following functions: 1) formulate, explain, and supervise the enforcement of laws and regulations concerning futures trading; 2) examine and approve with full powers the formation, change, and termination of futures exchanges; 3) examine and approve the constitutions and regulations formulated by futures exchanges; 4) examine and approve the varieties of futures to be listed in futures exchanges; 5) investigate and punish serious violations of laws and discipline codes in futures trading and arbitrate major economic disputes in the trading; and 6) take an emergency measure to terminate trading if a major sudden incident arises.

In developing the futures market, it is necessary to standardize the operation and management of futures trading through legislation and "first dig a ditch and then fill it with water." However, considering that the conditions for enacting a national law on futures trading are not yet ripe, it is encouraged to first submit "Proposals for the Standardization of China's Futures Market" by using the ways limited-liability companies are operated as a reference. The State Commission for Restructuring the Economy is doing the work together with relevant departments. At the same time, it is also necessary to set up a special organ to study the major problems in coordinating the experiments in setting up and developing the futures market. In terms of the present situation, it is a task of top priority to establish China's futures training centers, sponsor various forms of training courses, and send personnel abroad to receive training in futures profession or invite futures specialists from abroad to train futures professionals at home.

Petroleum Exchange Begins Trading Gasoline

OW0505133193 Beijing XINHUA in English 1255
GMT 5 May 93

[Text] Nanjing, May 5 (XINHUA)—China's first petroleum futures exchange in Nanjing opens trade of gasoline Tuesday [4 May], the second kind of futures it has traded since it opened in March.

Besides gasoline, the exchange also trades light diesel oil. From Tuesday, the trading time at the exchange has been doubled.

The first day trading at the exchange saw 79 turnovers with the price of gasoline rising from 2,488 yuan to 2,500 yuan per ton.

The exchange, located in Nanjing, capital of east China's Jiangsu Province, has cooperated with two Hong Kong financial companies. It has adopted international practices in futures trading and quoted its prices worldwide through the Hong Kong partners. It is the first futures exchange adopting international practices in China.

The exchange opened trades on March 9 this year. Now it has 49 members, which include major oilfields and refineries in China and Chinese and international oil firms.

By mid-April, the exchange had seen a total transaction volume of 200,000 tons of diesel oil since it was opened.

The exchange was set up by the provincial government and the state petrochemical corporation. It is jointly funded by a number of large Chinese companies and one company from Hong Kong.

Regulations Provide Framework for Securities

HK0505093093 Beijing CHINA DAILY in English
5 May 93 p 1

[By staff reporter Ren Kan: "Securities Business Now Made More Secure"]

[Text] A set of provincial regulations on the issuing and trading of stocks—the first of such stipulations to govern the securities business in China—has been made public by the State Council.

This marks the initial step taken by the government to set up a legal framework for the country's fledgling securities market.

With the approval of Premier Li Peng, the regulations contain 84 articles and include general rules and supplementary articles.

They cover the issuing and trading of stocks, the purchase, storage, liquidation and transfer of listed companies, the releasing of information about listed companies, the investigation and punishment of stock irregularities, and arbitration in stock disputes.

The regulations are aimed at meeting the needs of the development of a socialist market economy as well as establishing and developing a national, unified and highly efficient stock market.

They are also aimed at protecting the legal rights and interests of both investors and the public, while promoting the development of the national economy.

Officials stress that all those engaging in stock-issuing and marketing or related activities within China should abide by the regulations.

Analysts believe that enforcement of the regulations will provide a legal basis for stock activities, since the country has no securities laws at present.

The country's shareholding system and the establishment of a securities market were put into effect without national laws and regulations on stocks or securities. However, there were some local regulations stipulated in Shanghai and Shenzhen to govern the securities exchanges in the two cities.

China began to draft the securities regulations in 1988, even before the establishment of the country's two securities exchanges.

Since the end of last year, the State has stepped up its drafting of the regulations. During the past four months, the regulations have been rewritten more than 100 times, according to officials.

Analysts say the regulations, released on Monday, will ensure that stocks are issued and traded fairly, openly and honestly.

They will create an environment for fair competitions and end behind-the-scenes deals.

Analysts also believe that the regulations will give a strong push to the work of the securities watchdogs: the State Council Securities Policy Committee and China Securities Regulatory Commission.

Analysts say too that the emergence of the regulations has paved a way for this year's stock-issuance.

The government will issue 5 billion yuan (\$877 million) worth of stocks to the public this year and list one or two firms from each province and autonomous region and the country's securities exchanges.

But no firm so far has gone public because both the securities authorities and enterprises have been awaiting the regulations.

A China Securities Regulatory Commission official says the regulations are still temporary and that they will be revised as conditions develop.

But he calls on all securities market participants to strictly abide by the regulations to ensure the smooth development of China's fledgling securities market.

CHINA DAILY has also learnt that the drafting of the country's national laws on securities is being accelerated.

The laws, which have been rewritten five times, will soon be submitted to the National People's Congress for approval.

They are expected to be published early next year.

'Exceptionally Big' Tax Deception Gang Cracked

HK0505153593 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1124 GMT 19 Apr 93

[Text] Shenzhen, 19 April (ZHONGGUO TONGXUN SHE)—The Shenzhen People's Procuratorate has cracked down on an exceptionally big criminal gang which defrauded the state of taxes in an organized and planned way by using forged contracts, bills, customs declarations, and tax payment receipts and whose activities covered 12 provinces and municipalities with 20 people involved, which shocked the country. Six criminals, including Zhang Hanxuan, have been arrested according to law.

Zhang Hanxuan, a vagrant from outside Shenzhen, came to the city in May 1992. Introduced by Wang Heqin, a criminal involved in the case, Zhang became acquainted with the boss of a Hong Kong company whose surname was Ma. Working in collusion, Mr. Ma returned to Hong Kong and engraved the seals of three companies in Hong Kong. In the name of the three companies, Zhang Hanxuan gathered together his fellow villagers and relatives, including a Mr. Zhang, a Mr. Wang, and a Mr. Teng, and thus they began criminal activities to defraud the state of the taxes on export goods in Shenzhen.

In early November last year, Zhang Hanxuan dispatched Mr. Wang to Beijing and got in contact with the Shenzhen subsidiary company of a certain export-import general corporation which served as a export associated agency. He also got acquainted with a professional person whose surname was Li from the Yima City Mining Bureau in Henan Province, the head of the Mayi City Tax Bureau Accounting Section whose surname was He, and a peasant whose surname was Zheng from Chaoyang County in Shantou. These people, who were permanent guests of big hotels, were specially engaged in writing forged bills and tax payment receipts for others at a profit. Working in collusion, Mr. Li and Mr. He separately provided Mr. Wang with forged bills of an electric wire plant in Mayi city and forged tax payment receipts of the Mayi City Tax Bureau, which were worth 9.199 million yuan in all. With the bills and receipts as proof, Zhang Hanxuan told a certain company in Shenzhen that the supply of electric wire had been secured and entrusted the company to export the goods as an agent.

Mr. Ma from Hong Kong and the company signed a contract for overseas sales of electric wire worth \$1.14 million, and at the same time, Zhang Hanxuan instructed Mr. Li to sign with the company a contract for

domestic sales of electric wire worth 9.199 million yuan. Since Zhang Hanxuan had neither the supply of goods nor foreign exchange, through Mr. Zheng he bought used electric wire worth 200,000 yuan to cheat out of a customs declaration, and he contacted outside jobless vagrants who lived in Shenzhen, a Mr. Luo and a Mr. Long, and instructed them to illegally buy \$1.13 million from the manager of a Hong Kong company whose surname was Chen at a rate of 1 U.S. dollar to 7.7 yuan. On 16 December, Zhang Hanxuan informed the company in Shenzhen mentioned above to send people to the Shenzhen Bank of China on the afternoon of 17 December to receive a \$1.13 million bank draft and at the same time to pay 9.199 million yuan in payment for goods, and also send people to accompany him to make a customs declaration so as to cheat out of a tax receipt. The other criminals involved in the case stayed in three hotels in Shenzhen, waiting for a share of the booty.

According to the anticorruption submissions of the masses of people, with the guidance and participation of the Supreme People's Procuratorate Anticorruption and Bribery Office and the personnel sent by the State Administration of Taxation, the Shenzhen City People's Procuratorate obtained a lot of evidence through a thorough investigation. On 17 December 1992, it took action and arrested all gang members. It seized the \$1.13 million bank draft, 15 forged contracts, 13 forged seals, three forged blank bill books, and 10 forged tax payment receipts; it froze nine accounts with which the criminals carried out their activities; and seized illicit money totaling 340,000 yuan and 17,000 Hong Kong dollars in cash and four account books totaling 360,000 yuan or more. An initial verification shows that the criminal gang made out bills worth 500 million yuan and cheated the state of drawbacks worth more than 10 million yuan. At present, the case is under further investigation.

The Supreme People's Procuratorate attached great importance to the exceptionally big tax deception criminal gang case and held a meeting of persons in charge of the anticorruption bureaus under the people's procuratorates of 12 provinces, autonomous regions, and municipalities to inform meeting participants on the case and related developments and study and make arrangements for severely cracking down on tax deception criminal activities. An operation to encircle and wipe out tax deception criminal activities is developing in depth.

Financial Market Formed in Beijing

OW0605104393 Beijing XINHUA in English 0942
GMT 6 May 93

[Text] Beijing, May 6 (XINHUA)—A financial market consisting of inter-bank business, foreign exchange trading and securities has been formed in the Chinese capital following six years of effort.

The financial market which started to develop in 1987 has concluded inter-bank transactions of 25 billion yuan, local officials said.

In order to steer state enterprises out of the planned economy to the market demands, Beijing has fostered the secondary securities market while developing the primary securities market. Currently there are 189 securities companies, trust and investment companies and securities offices, including 17 handling stocks of the Shenzhen and Shanghai Stock Exchanges.

With opening of the national securities trading automatic quotation system, transaction of various securities on the primary market amounted to 6.4 billion yuan in 1992, 30 percent more than the previous year. At the same time transactions on the secondary market came to nine billion yuan, five times that of the previous year.

Beijing has also accelerated the pace of piloting a joint stock system. In the first quarter of this year, the municipal government approved a dozen new joint stock firms. With two more stock brokerage agencies opening quotations on shenzhen and shanghai stock exchanges, 10 brokerage agencies are trading stocks listed in Shenzhen and Shanghai.

Transaction of foreign exchange reached 740 million U.S. dollars in 1992, 9.7 percent more than in the previous year.

Local economists say the development of the financial market is closely related to economic reform. With the deepening of the reform, the financial market will diversify further and expand.

Lu Xueyong, director of the Beijing branch of the People's Bank of China, says it is necessary to further develop and foster the securities, foreign exchange, insurance and the fund-raising markets.

Measures which will need to be addressed include turning fund circulation centers into standard brokerage agencies, providing standard services for issuing and trading in stocks, developing professional brokerage agencies for insurance, trust, leasing, consultation and assessment, and the setting up of at least three foreign-funded banks.

Official on Enterprise Groups, Renamed Companies

*HK0605094293 Beijing RENMIN RIBAO in Chinese
19 Apr 93 p 2*

[Article by staff reporter Lu Mu (7627 3668): "A New Attempt: Authorizing Enterprise Groups To Run Businesses—Interviewing Luo Yuanming, Deputy Director of the National Administration of State Property"]

[Text] Not long ago, this reporter visited and interviewed Luo Yuanming, deputy director of the National Administration of State Property, on the question of authorizing enterprise groups to manage state assets on an experimental basis.

[Lu] Since the article "State Council Leaders Clearly Point Out That Renamed Companies Are Not Reform,

But Retrogression" was published in early March, it has given rise to a strong response. However, some people are worried that exposing "renamed" companies and "makeshift" [la lang pei 2139 6745 6792] groups will affect the image of enterprise groups, being unfavorable to the state's current experimental program of authorizing enterprise groups to do business. Can you tell us how you view this question?

[Luo] There is no contradiction between consolidating and developing enterprise groups and opposing "renamed" companies. It will help consolidate and develop enterprise groups if we do not allow the establishment of "renamed" and "makeshift" companies.

Authorizing enterprise groups to manage state assets is very different from "renamed" companies. For administrative companies that do not meet the requirements for pilot groups, or what we call "renamed" companies, we should not authorize them to do business on an experimental basis. For those companies with the nature of an economic entity that have long changed completely from government organizations and that no longer perform the administrative functions of government departments, or those groups of companies that have in fact shouldered the responsibility of capital management after many years of practice, we can authorize them to manage state assets.

[Lu] You said just now that for enterprise groups to be authorized to do business, they must meet some requirements. Can you say more concretely what requirements there are?

[Luo] In light of the historical background of the development of enterprise groups, those that are authorized to do business on an experimental basis should possess the following major qualifications:

A core enterprise (namely an enterprise group) must not have government administrative and trade administrative functions. It must play an important role in the national and regional economies, must be very competitive, and must not have a monopoly. Group members must have internal technological and economic links (in the form of products, process flow, trade and industry, and so forth). It must have the qualifications that relevant state departments require of general enterprise groups.

It should be pointed out that during the process of changing the functions of government departments and reforming organizations, the supervisory departments and bureaus of some trades and industries have changed to companies with the nature of an economic entity. They are asking to set up enterprise groups through authorizing the management of state-owned assets. Since their various subsidiary enterprises do not have internal technological and economic links, it is inappropriate for them to change into enterprise groups through authorization to do business.

[Lu] Some localities have set up "renamed" companies and "makeshift" groups. They have recalled and canceled the legal person status of enterprises that have joined a group. Is it true that authorizing enterprise groups to do business on an experimental basis also entails the cancellation of enterprises' legal person status?

[Luo] No. Authorization does not cancel the legal person status of enterprises close to the group's level [jin mi ceng 4868 1378 1461]. It defines the ownership-and-management relationship between the many legal person bodies of a group, recombines the assets of the various state-owned enterprises set up with the state's direct investments in accordance with their internal technological and economic links, and changes the state property right or share right of enterprises close to the group's level into state-owned legal person property right or share right of an group of companies and constitutes the parent-subsidiary relationship. The group of companies is totally responsible for the keeping and increase of the value of state-owned assets within the scope of state authorization.

[Lu] How do we properly handle the relationship between the core enterprise and an enterprise close to the group's level after the group is authorized to do business?

[Luo] That a group is authorized to do business on an experimental basis is meant to straighten out the ownership-and-management relationship between enterprises of a group and to manage property rights in the form of a parent company and a subsidiary company and under the incorporation [gong si hua 6361 0674 0553] system.

After an enterprise group is authorized to do business, the relationship between the core enterprise and the enterprise close to the group's level is not one between the headquarters and a branch factory, nor one between the main factory and associated factory [lian ying chang 5114 3602 0617], and still less the relationship of one enterprise belonging administratively to another. An enterprise group consists of many legal persons. To make an enterprise group successful, it is necessary to bring into play both its management advantage and the initiative of its subsidiary enterprises. This demands that powers be rationally centralized and decentralized within the group.

[Lu] So, how is a group going to properly centralize and decentralize powers?

[Luo] The key is to define the responsibility-power-interest relationships of a group of companies and its subsidiary company. Generally speaking, a group of companies should properly manage four main things: It is responsible for making decisions for investments, developing strategies, and making plans. Determine the direction for the development of products and technologies and the scope and form of operation, and is responsible for raising funds. Select and appoint cadres

in keeping with their share rights. Examine final financial accounts and profit distributions. All other autonomous rights should be exercised by its subsidiary companies and the parent company must not exercise them in excess of its powers. Generally speaking, we can refer to the parent-subsidiary relationship as is commonly practiced internationally. In the plans for the Dongfeng Automobiles and seven other enterprise groups that have been authorized to do business, this question is clearly defined.

[Lu] Can we say that during the course of establishing the socialist market economic system, the question of rights over state assets is an unavoidable deep-seated question?

[Luo] Exactly. Organizing state-level enterprise groups is very crucial to readjusting the industrial structures and organizational structures of China's major trades and industries, forming a strong and energetic "national force," facing the market competition from all kinds of ownership at home and competition in the international market after joining the GATT. Because this is a deep-seated question that needs to be settled in the course of reform, and because it is a new exploration and a new attempt, it needs to be gradually settled through thoroughgoing and extensive investigation and experimentation.

Shipping Attracts Foreign, Domestic Investment

HK0505093693 Beijing CHINA DAILY in English 5
May 93 p 3

[By staff reporter Xie Yicheng: "Smooth Sailing for Shipping Industry"]

[Text] Marine shipping is fast becoming a hot area for investment for domestic and foreign businesses, according to the Ministry of Communications.

Last year the ministry endorsed 47 coastal shipping firms which plan to augment 1.4 million tonnage in capacity.

Meanwhile, another 20 firms opened businesses for ocean-going shipping, including routes to Hong Kong and Macao. Along with existing firms, they are expected to add 700,000 tonnage and 2,000 passenger seats.

China's booming foreign trade and economic growth in coastal areas have fueled a high demand for marine shipping, said ministry officials.

They revealed that during the first quarter this year, the ministry received an unprecedented application for more than 90 enterprises for marine shipping business or increasing capacities.

The ministry announced 25 measures last August to reform China's international shipping management and allow greater access to the domestic shipping market.

The move is echoed by many shipping agencies, industrial and trade enterprises that are competing to set up their own fleets.

They finance ship purchases through domestic joint ventures, Sino-foreign joint enterprises and shareholding systems.

Hainan Province, China's largest special economic zone, has developed a multi-functional fleet with 400,000 DWTs (dead weight ton), compared with less than 40,000 DWT four years ago.

The Fujian provincial government enabled the Fujian Shipping Company to buy two 52,000-ton new bulk freighters from the Ukraine through terms of credit and taxation.

The ministry, nevertheless, is concerned about the skyrocketing prices of ships, poor ship design, outmoded technical equipment and poor service due to the "marine shipping fever".

To exert macro control over new shipping businesses, the ministry will restrict the age of second-hand imported vessels to 10 years, encourage land-island shipping and develop passenger and vehicle roll-on-and-off shipping.

In a related development, during the first quarter of this year imports increased and exports declined at Chinese ports.

Over the period, China's major coastal ports discharged 7.07 million tons more imports than those in the same period last year. The import of metal ore, crude oil, timber and iron and steel has increased by a large margin.

Meanwhile, these ports shipped 4.32 million tons less exports than those in the same period last year. The export of coal, crude oil, iron and steel, cement and grain has decreased by a big margin.

Yangzhou Port Officially Opens to Outside World

*HK0605085193 Beijing RENMIN RIBAO in Chinese
4 May 93 p 1*

[By Sun Xiaofeng (1327 1420 1496) and Wu Aiping (0702 5337 1627): "Yangzhou Port Officially Opens to Foreign Vessels"]

[Text] On 28 April, Yangzhou Port, Jiangsu Province, one of the four major trade ports in the east and one of the major ports on the historical "maritime silk road," was officially opened to foreign vessels and became a first-class open port of our country. Comrade Jiang Zemin personally wrote the three characters "Yang" "Zhou" "Gang" for the port.

Yangzhou Port is located in the confluence of the Beijing-Hangzhou Canal and the Chang Jiang. A 60-meter-wide thoroughfare links the port area with the downtown area. With waterways linked to all parts of the

country, the port is also linked to the first-class highway and expressway between Nanjing and Yangzhou and between Yangzhou and Tongzhou. The transportation network radiates in all directions. Yangzhou Port has one 10,000-tonne-class floating dock, one 3,000-tonne-class pier for passenger ships, and one 1,000-tonne-class multipurpose dock. A 10,000-tonne-class fixed dock for bulk cargo is under construction. The port area is 130,000 square meters. A comprehensive passenger and cargo transportation terminal building with a total floor space of nearly 5,000 square meters has been built. The port has good communications facilities, and its handling capacity is nearly 1 million tonnes.

Communications Updated for 3 Gorges Dam Project

*OW0505040293 Beijing XINHUA in English 0114
GMT 5 May 93*

[Text] Yichang, May 5 (XINHUA)—Yichang city in central China is updating its communications facilities to provide for the construction of the Three Gorges dam project on the Yangtze River.

Yichang, located at the lower reaches of the Three Gorges in Hubei Province, is the seat for the headquarters directing the construction of the big dam.

Now the city has embarked on the construction of 250 km of high-grade highways. It is planning to expand the total length of local highways to 500 km from the present 130 km by 1995 and preparing for the construction of two bridges and one deep-water harbor on the Yangtze River.

Now the city is linked with Beijing by express trains, and linked with Hong Kong by direct shipment. The construction of an international airport, funded by the locality, will start on July 1. Upon the completion of the first phase of construction by 1995 the airport will be capable to receive mid-sized planes like the Boeing 737 and will open for international planes when the second phase of construction is completed some time later.

Now the city is linked with 766 cities in the country and 216 countries and regions in the world by optical and automatic telecommunications. A special optical telephone line for dam construction is to be connected in June, making direct-dial telephoning possible from the dam site to any city in the world. The city is also expanding the local telephone network by building a 15,000-line automatic switch.

Convenient communications has attracted over 160 foreign companies to set up enterprises in the city since March, 1992.

High Yield, High Quality Agriculture Planned

OW0505114493 Beijing XINHUA in English 1005
GMT 5 May 93

[Text] Beijing, May 5 (XINHUA)—China is attempting to develop high yielding and high quality farm production and this is seen as a strategic shift in agriculture for the country.

To achieve a balance between the development of industry and agriculture, China has made it a point to stabilize farm production while speeding up the pace of agricultural modernization.

During the period from 1979 to 1992, China's grain output increased from 330 billion kg to 440 billion kg. In the same period cotton output was more than doubled and the output of other cash crops rose sharply.

For Chinese farmers, however, income increases have not kept pace with the development of agriculture, for various reasons.

To make farmers better off, government departments in the agricultural sector insist that in the 90s, China should focus on the quality and efficiency as well as the output of farm production.

While increasing grain production, farmers are also encouraged to grow more cash crops and develop pastoral and aquatic products.

According to officials from the Ministry of Agriculture, on China's way towards building up a socialist market economy, it is nevertheless necessary for the government

to maintain central control over grain production by mapping out a yearly grain purchasing plan.

Meanwhile, along with the maturing of the market economy, China's farm production will be gradually turned toward open markets and farmers will be given more latitude to grow what they want.

Local observers say that China has laid a sound foundation for developing an agriculture centered on high yield, high quality and high efficiency. In the meantime, the three "highs" complement one another.

To realize high yield and high quality in farm production, it is a must to spread good grain seeds and new farm technologies so as to raise grain yield per unit while not expanding or even allowing reductions in the acreage of farmland.

On the other hand, further processing of farm products should be encouraged in a bid to increase farmers' cash income, the observers point out.

To develop township-owned industrial firms in the rural areas and to develop high yield agriculture, high quality and high efficiency are the major way to develop the rural economy, they say.

Over the past few years, the strategy has been adopted by several provinces and cities including Jiangsu, Fujian, Shandong and Shanghai, which has created good economic returns.

Some economists say that the booming industrial enterprises in the countryside have brought about a brand new atmosphere in the rural areas, and moreover, the development of high-yield, high-quality and high-efficient farm production marks the beginning of a deeper reform of the country's agricultural sector.

East Region

Lu Rongjing Addresses Anhui CPC Committee

OW0605055593 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 28 Apr 93

[By station reporters Ma Zhini and Wang Yingqiang; from the "Provincial Hookup" program]

[Text] The Fifth Anhui Provincial CPC Committee yesterday held its Ninth Enlarged Plenary Session in Hefei. The meeting was held mainly to discuss the further implementation of the guidelines of the CPC 14th National Congress and the Second Plenary Session of the 14th CPC Central Committee and to study how the province could seize the opportunity and accelerate its development. Fu Xishou, provincial governor and deputy secretary of the provincial CPC Committee, presided over yesterday's meeting. Lu Rongjing, provincial CPC Committee secretary, delivered an important speech at the meeting.

In his speech, Lu Rongjing said: Last year was one of the years in which Anhui developed most rapidly under the best situation since reform and opening up to the outside world. Since the beginning of the year the provincial economic development has kept up its strong momentum. Practice has fully proven that we should be able to double the reward for every effort put into our work so long as we know how to recognize and firmly grasp the opportunity. As we are only seven years away from the end of the century—by which time we are supposed to attain the objective of a comparatively affluent standard of living—now we should lose no time in seizing the opportunity and make the best use of the situation to put Anhui's economy in a good position as soon as possible.

Lu Rongjing said: To seize the opportunity, we must first have a clear understanding of that opportunity. Judging from the developing circumstances, the province has these additional opportunities which deserve attention and study: Our superiority in resources will be given greater play following the shift from a planned economic system toward a market economic system; the province will become even more attractive to foreign capital as the sphere of opening up to the outside world extends from the coast inland; the province will have a more important position and role in the national economic composition as Anhui gradually becomes the hub of the central region's communications network; village and town enterprises in the province will have an even better development opportunity following the implementation of the state strategy of quickening economic development in the central and western regions; our basic industry will enjoy even more favorable conditions for development following the readjustment of the state's industrial policy.

Lu Rongjing pointed out: All quarters in the province should strengthen their sense of urgency as well as seize and make good use of the opportunity to give impetus to

lifting Anhui's economy to a new level better and quicker. He said: To accelerate development, we must have realistic objectives of struggle. We should aim to first attain a comparatively affluent standard of living, and then catch up with advanced regions. All localities should carry out a serious study to determine their own objectives. All departments and all trades and lines of work also should take the initiative to center on the overall objective of the province to determine the objectives of their own struggle and pursuit and work toward them in a down-to-earth manner, so as to make a due contribution to ensuring successful attainment of the provincial overall objective.

Lu Rongjing pointed out: To lift the provincial economy to a new level, we must go all out to cultivate the main body for a multiform market economy, constantly open up new methods of economic development, and rely on new, additional economic growth spots for support. To continue maintaining village and town enterprises' leading position in economic growth, all localities must carry out the development of village and town enterprises as a major task in cultivating new economic growth spots. So long as there is a market and efficiency, we should encourage people to carry out whatever endeavors are within their means at the fastest pace possible. It is necessary to adhere to market orientation, and give attention to developing macroagriculture with emphasis on high-yield, fine-quality, and high-efficiency farming. We should strengthen the reform and give greater play to the role of state-owned enterprises as the pillar of economic growth.

He pointed out: The most important task in invigorating state-owned enterprises is to focus on changing enterprise operating mechanisms and the government's administrative functions to unswervingly and properly enforce the Regulations for Changing Operating Mechanisms of Enterprises Owned by All the People, delegate as soon as possible all powers that are supposed to be delegated, and comprehensively bring about operational independence in enterprises. We should go all out to boldly develop individual and private economies and give full play to their vigor in economic development, further relax operational requirements for individual and private enterprises and ease control over the scope of their operations, and support them in flexibly choosing production and operational patterns and expanding the scale of production and operations in the light of market needs. It is necessary to open up wider to the outside world, quicken the pace in utilizing foreign capital, vigorously develop foreign economic relations and trade, and upgrade the [passage indistinct] of the provincial economy. Efforts should be made to continually increase the weight of tertiary industries in the gross national product [GNP] and strive to increase it to around 40 percent of the GNP by the turn of the century. We should develop high and new technology and vigorously increase science and technology's contribution to economic development. It is necessary to earnestly implement the decision adopted last year by the provincial party committee and government on certain issues

concerning the reliance on scientific and technological advancement to push forward economic development, and to fully arouse the enthusiasm of scientists and technicians.

Lu Rongjing pointed out: It is essential to conscientiously strengthen leadership by the party and work hard to improve the leadership standards. We should inspire enthusiasm to form a strong concerted force that is wholeheartedly devoted to economic work. It is necessary to persist in paying equally adequate attention to both the spiritual and material civilizations and to do a good job in unswervingly promoting party work style and clean administration. It is necessary to grasp the focal points and concentrate efforts on solving contradictions and problems criticized acutely by the masses. We should pay real attention, do solid work, and take good charge of the implementation of various tasks with perseverance.

Attending yesterday's meeting and seated on the rostrum were Lu Rongjing, Fu Xishou, Yang Yongliang, (Huang Hanhua), Liu Guangcai, Chen Guanglin, Fang Zhaoxiang, Shen Shanwen, Meng Fulin, and Shi Junjie.

The meeting was attended by more than 500 people, including full and alternate members of the provincial party committee; members of the provincial advisory committee [as heard]; members of the provincial Committee for Discipline Inspection; responsible comrades with party membership from the provincial people's congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference; major responsible comrades from all prefectural, city, county, and district party committees and governments; secretaries of prefectural and city discipline inspection committees; major responsible comrades from various departments, committees, and offices of the provincial party committee; responsible comrades with party membership from representative offices of various provincial government departments and bureaus outside Anhui; as well as responsible comrades with party membership from various mass organizations, universities, and some enterprises.

Fujian Sets Tasks for Economic Restructuring

HK0605105693 Beijing ZHONGGUO XINWEN SHE
in Chinese 1414 GMT 16 April 93

[Text] Fuzhou, 16 Apr (ZHONGGUO XINWEN SHE)—To nurture the stock market, it is necessary, apart from boldly quickening the pace of issuing share certificates, to set up standardized Sino-foreign joint stock joint ventures. This is one of the eight major programs for economic restructuring in 1993 authorized by the Fujian provincial government early this month.

Apart from clearly setting the tasks for strengthening the market organizationally, enlarging the scope of the market, establishing regulations for market operation, freeing the purchasing and marketing prices of grain and oil comprehensively, and further freeing the prices of

those commodities whose prices were fixed by the state, the program entitled "Nurture and Develop a Market System" stresses the need to enliven the financial market. The "program" states: It is necessary to vigorously nurture and develop the market for short-term interbank loans; develop acceptance business and the discount and rediscount markets in an effort to use bills to represent commercial credit [shang ye xin yong piao ju hua 0794 2814 0207 3938 4384 2207 0553]; develop and improve the foreign exchange swap market, expand its operational scope, and increase the number of its operational projects; enthusiastically nurture and develop the bond market; encourage enterprises to raise money directly from the market and to increase the number of bonds issued as well as the varieties of bonds; and encourage more enterprises to list in the stock market.

The FUJIAN JINGJI BAO published here on Tuesday carried the full text of the eight major programs for economic restructuring. The other seven major tasks are: Change the way enterprises operate and push enterprises into the market, change government functions and reform the structure of government institutions, step up reform of the management system for state-owned assets, reform the management system for adjudicating and granting permission to new enterprises, step up housing reforms, improve and develop the social security system, and accelerate county-level comprehensive reforms.

The major tasks proposed by the provincial economic restructuring commission and authorized by the provincial government call for vigorous efforts to set up joint stock enterprises. According to the proposal, 20 to 30 large and medium-sized state-owned enterprises in the province will be transformed this year into joint stock limited companies which will offer shares for public subscription; corporate shares will be integrated with shares held by workers and staff of enterprises; 200-300 enterprises will be chosen across the province for restructuring; the joint stock system will be introduced into large technology and fund-intensive projects which meet the demand of the province's industrial policies as soon as they go into operation; and the joint stock cooperative system will be further introduced into collectively run enterprises in cities and towns and into rural enterprises.

Fujian City Earns Revenue From Waste Control

HK0505051093 Fuzhou Fujian People's Radio Network
in Mandarin 1100 GMT 1 May 93

[Excerpts] Yong'an City has achieved remarkable results in maintaining active control over three industrial wastes and in carrying out comprehensive utilization of industrial wastes. Yong'an City is a new and developing industrial city in Fujian and its total drainage of industrial residue, waste liquid, and waste gas used to make up 9.3, 28.8, and 27.6 percent, respectively, of Fujian's total waste.

In a bid to urge the city's administrative institutions and enterprises to effectively [words indistinct], the environmental protection department in Yongan City has begun to levy waste drainage charges on units whose total waste drainage has exceeded the restrictions set by the state. As a result, this department sees a newly added revenue of 18.19 million yuan each quarter, thus opening up a new way of stepping up the efforts in environmental protection and control.

Since 1983, the city's environmental department has provided loans to 94 waste control projects, involving a total of nearly 7 million yuan. So far, the city has completed 443 waste control projects and the total amount involved in pollution control has reached 50.1 million yuan.

As a result, the city's control area of industrial smoke has been expanded from 5 square km in 1988 to 8.17 square km; the disposal rate of waste liquid has increased from 47.7 percent to over 80 percent; and the rate of [words indistinct] increased from 83.3 to 99.3 percent.

In addition, all enterprises in the city have also carried out comprehensive utilization of industrial wastes in a bid to turn waste into treasure. [passage omitted]

Statistics have shown that in 1992, Yongan City saw a total output value of 14.25 million yuan in making comprehensive utilization of three industrial wastes, gaining a profit of 4.99 million yuan.

Shanghai Lowers Investment Limit for Students

HK0605053093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0730 GMT 17 Apr 93

[Text] Shanghai, 17 Apr (ZHONGGUO TONGXUN SHE)—Shanghai is taking dynamic measures to encourage students studying abroad to return to the city as entrepreneurs. A couple of days ago, the Municipal Foreign Investment Committee decided to cancel the existing requirement of \$200,000 registered capital minimum and lower the minimum investment required to \$10,000. The new regulation also provides that within the scope approved by state and Shanghai authorities in which foreign firms are encouraged to invest, returned students who set up enterprises in Shanghai in their personal names or as partners may get some preferential treatment in reference to the terms offered to foreign investors.

When applying to set up enterprises in Shanghai, returned students may submit written applications directly to the Shanghai Municipal Returned Students Service Center, or formally instruct relatives or friends in China to submit written applications to this center on their behalf. The center shall handle the application procedures on behalf of the applicants, together with other relevant departments, and forward the papers to Shanghai Municipal Foreign Investment Committee. The subjects related to the prospective enterprises by the returned students are required, in principle, to match the

major subjects they studied abroad. So far, "Duan & Duan Solicitors" run by Duan Qihua [3008 4388 5478], who studied in the United States, has formally opened, and a dozen companies initiated by other persons educated abroad are being processed and prepared.

Persons studying abroad refer to those who have studied abroad at public or personal expense and have acquired diplomas abroad at and above the polytechnic level, those who have obtained extended (or permanent) residence abroad by studying there and have returned to China from where they have studied, and holders of intermediate and above professional titles in China who were sent abroad for further training and have made certain achievements. Their eligibility must be assessed by Shanghai Municipal Returned Students Service Center.

Central-South Region

Guangdong Areas Fight Drug Trafficking, Gambling

HK0405140693 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 30 Apr 93

[Text] Foshan City conducted incessant campaigns to ban drug-taking and gambling and made significant achievements. In April alone, 94 drug addicts and traffickers, 80 gamblers and attendants, and 28 loan sharks practicing usury in gambling houses were arrested; four large-scale gambling centers and 48 gambling dens were destroyed; and 48.41 grams of heroin and money for gambling amounting to 640,000 yuan were seized.

Recently, the Foshan City government issued an announcement on seriously banning drug trafficking, drug taking, and mass gambling, and nearly 20 elements violating law and discipline gave themselves up to public security organs. While mobilizing the masses, the public security organs in Foshan City intensified patrols in various public entertainment places and key locations of tourist trades, bars, and so on, and cracked down on various activities of criminals caught in the act of drug trafficking, drug taking, and gathering for gambling.

According to statistics, a total of 127 drug traffickers and addicts and 1,785 gamblers were arrested, and 202.37 grams of heroin were seized in the first quarter of this year.

It is also reported that since March, the public security organs in Huidong County dealt sure, accurate, and relentless blows at criminal offenses and yielded marked results. Up to yesterday, 21 cases of drug trafficking and drug taking were ferreted out, 14 prostitution and gambling dens were smashed, a number of drug traffickers and addicts were arrested, and 89 grams of heroin and tools for drug trafficking and drug use were seized in the entire county.

Guangdong Officials Destroy Confiscated Narcotics

*HK0605002093 Beijing ZHONGGUO XINWEN SHE
in English 1522 GMT 5 May 93*

[Text] Guangzhou, May 5 (CNS)—The Guangdong Provincial Drug-Prohibition Committee today burned a batch of narcotic drugs seized recently by provincial legal departments. The drugs included 18.12 kilogrammes of heroin, 82.5 kilogrammes of opium and 6 kilogrammes of "ice".

A special anti-drugs campaign was launched by the committee in March this year, and the provincial party committee and government took action against drug-taking and drug-trafficking across the entire province in April. According to statistics, in March and April this year, more than 400 cases of drug-trafficking were unearthed with more than 800 suspected drug-traffickers taken in. Over 4,000 drug addicts were discovered and more than 20 kilogrammes of heroin and other drugs were seized.

Government and committee officials called for the people in the province to fight against drug-related crimes and ordered drug addicts to give themselves up to the legal authorities.

Hainan Secretary Relays Jiang Comments on Island

*HK0605064293 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 24 Apr 93*

[Text] The First Hainan Provincial CPC Committee held its Ninth Enlarged Plenary Session in the auditorium of the provincial party committee yesterday morning [24 April] on relaying and implementing recent important remarks made by central leaders on economic work and by Comrade Jiang Zemin during his inspection trip in Hainan.

Participating in the meeting were Ruan Chongwu, provincial party secretary and governor; Du Qinglin, provincial deputy party secretary and chairman of the provincial people's congress; Wang Xiaofeng, executive vice governor; and Wei Zefang, Wang Houhong, Dong Panyuan, Liu Xuebin, Chen Yuyi, Cai Changzhong, members of the standing committee of the provincial party committee.

The meeting was presided over by Wang Xiaofeng. Ruan Chongwu and Du Qinglin relayed to all comrades participating in the meeting the important remarks made by central leaders on economic issues.

In the afternoon, Comrade Ruan Chongwu relayed a series of important remarks General Secretary Jiang Zemin made during his inspection trip in Hainan. In his remarks, General Secretary Jiang fully reaffirmed the remarkable achievements Hainan has attained in founding the province and establishing the special economic zone in the past five years, and extended the party

Central Committee's cordial concern and ardent expectations to the people of all nationalities in Hainan and to all workers who are engaged in building up the Hainan Special Economic Zone.

On behalf of the provincial party committee, Comrade Du Qinglin put forward at the meeting specific suggestions on how to put into practice the spirit of General Secretary Jiang Zemin's remarks during his trip in Hainan.

Also present at the meeting were members and alternate members of the Standing Committee of the provincial party committee, party-member vice chairmen of the Standing Committee of the provincial People's Congress, party-member vice governors of the provincial government, party-member chairman and vice chairmen of the provincial Chinese People's Political Consultative Conference, party-member cadres at the departmental level and above from organs directly under the provincial authorities and from organs under the central authorities stationed in Hainan, party-member cadres at the sectional level and from organs under Haikou City authorities, party secretaries of cities, counties, and autonomous prefectures, as well as mayors and county magistrates and the party secretary and director of Xisha District Representative Office.

Southwest Region

Xie Shijie Addresses Sichuan CPC Committee

*HK0605060593 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 23 Apr 93*

[Text] In order to make sufficient preparations for the forthcoming Sixth Sichuan Provincial CPC Congress, the Fifth Sichuan Provincial CPC Committee convened its 13th meeting in Chengdu 22-23 April. The meeting was attended by all provincial party committee members and alternate members. Attending the meeting as non-voting delegates were the provincial advisory committee and discipline inspection commission members as well as comrades in charge of various departments concerned. Comrade Yang Rudai and some other veteran provincial leaders also attended the meeting as invited guests. Xie Shijie, provincial party committee secretary, presided over the meeting and delivered speeches at the meeting's opening and closing ceremonies.

The meeting decided to convene the Sixth Sichuan Provincial CPC Congress in Chengdu 25-29 April. The meeting deliberated and adopted the Fifth Sichuan Provincial CPC Committee Report for submission to the Sixth Sichuan Provincial CPC Congress and unanimously agreed to submit the report to the forthcoming congress for deliberation and examination. The meeting also deliberated and examined work reports submitted by the provincial advisory committee and discipline inspection commission and discussed the agenda of and issues concerning elections to be held at the forthcoming Sixth Sichuan Provincial CPC Congress.

Xie Shijie delivered at the closing ceremony a speech in which he pointed out: Over the past five years, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and under the correct leadership of the CPC Central Committee, we have persistently adhered to the basic line of one center, two basic points; vigorously pushed ahead with reform, opening up, and the modernization drive; and made phenomenal achievements in all domains. Especially since last year, under the encouragement and guidance of a series of important speeches made by Comrade Deng Xiaoping during his south China tour as well as the spirit of the 14th CPC National Congress, Sichuan's socialist modernization drive has entered a new period marked by accelerating growth.

Xie Shijie emphatically stated: The achievements over the past five years are hard-won ones made under the leadership of the Fifth Sichuan Provincial CPC Committee with Comrade Yang Rudai as the chief and with concerted efforts on the part of party organizations at all levels and people of all nationalities in Sichuan. We must carry forward all fine traditions; strive to open up new vistas; seize each and every excellent opportunity; speed up reform, opening up, and economic construction; do more practical things for people; and strive to build a better Sichuan.

On behalf of the provincial party committee, Xie Shijie paid lofty tribute to comrades of the provincial advisory committee as well as other veteran comrades who had made many historical contributions to the Sichuan people. He extended heartfelt thanks to those comrades who had been working hard but were not to stand for reelection to the sixth provincial advisory committee and discipline inspection commission.

Xie Shijie concluded: The preparatory work for the forthcoming Sixth Sichuan Provincial CPC Congress has now been completed. I urge all the comrades to make concerted efforts to make the forthcoming congress a success.

Comrade Yang Rudai also delivered a speech in which he offered a number of valuable views on Sichuan's economic rejuvenation in light of his rich leadership experiences over the past many years. He expressed the hope that the new provincial party committee will unite as one, make vigorous efforts to make Sichuan prosperous, and lead all Communist Party members and 110 million people across the province to work hard, carry out pioneering work, forge ahead, and strive to push Sichuan's economic growth onto a new stage at a faster pace and in a sounder manner to build Sichuan into a real land of abundance worthy of the name.

The meeting proceeded in a democratic, united, pragmatic, and confidence-boosting atmosphere and succeeded in making sufficient preparations for the forthcoming victorious convocation of the Sixth Sichuan Provincial CPC Congress.

Yunnan's Pu Chaozhu Discusses IOU Payment

HK0505040093 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 1 May 93

[Text] The complaint lodged by some people's deputies regarding certain areas issuing IOU notes when purchasing farm and sideline products from peasants is once again drawing great attention from the provincial party committee and government. At yesterday's second presidium meeting of the first session of the eighth provincial people's congress, Pu Chaozhu, presidium executive chairman and provincial party committee secretary, solemnly stated: Should the problem of IOU notes not be resolved, the leaders concerned will definitely be held responsible and dealt with in accordance with both the Constitution and relevant administrative regulations.

On 25 April, Secretary Pu Chaozhu attended a panel discussion held by the Linchang prefectural delegation to the eighth provincial people's congress wherein some people's deputies complained that certain areas are still issuing IOU notes when purchasing sugar cane and tea from peasants. Pu Chaozhu said immediately: We will order those areas to resolve the problem of IOU notes before a certain deadline. We will take account of the overall situation. Even if we have enormous difficulties, we should not owe anything to the peasants.

Yesterday morning, the presidium of the first session of the eighth provincial people's congress held its second meeting to listen to views expressed by various delegations on the provincial government work report.

The leader of the Simao prefectural delegation reported that, because it had not received some 24 million yuan promised for its farm and sideline products purchasing, Simao Prefecture had issued IOU notes to the peasants concerned. No sooner had he heard this than Secretary Pu Chaozhu set out to inquire of people's deputies about the situation in the various areas.

Pu Chaozhu said that issuing IOU notes to peasants is the result of tightened control over the money market. Some banks have tightened monetary control in a summary and oversimplified fashion with the result that certain areas, which had not issued IOU notes to peasants for several decades, began issuing them.

Pu Chaozhu noted: This is a rigorous situation indeed because issuing IOU notes to peasants will only cut ourselves off from the masses. We must try in every way, and at any rate, to cash all IOU notes peasants have received. The governments at all levels across the province must pay close attention to this issue. When tightening monetary control, the various banks should not try to do things in an oversimplified manner and should avoid hurting the peasants' feelings.

In the end, Pu Chaozhu called for having the IOU notes problem resolved within half a month. He stated: Should the problem remain unresolved by then, the county magistrates and bank presidents concerned in those

areas which have issued IOU notes to peasants will be subject to investigation and held responsible accordingly.

It has been learned that the provincial departments concerned have now taken positive and effective measures to guarantee that all funds promised for purchasing farm and sideline products will soon arrive in the various areas concerned so that peasants will not receive any more IOU notes.

North Region

Daily Profiles New Beijing Mayor Li Qiyang

HK0605103093 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 16, 19 Apr 93 pp 7-9

[By Luo Xiaolu (5012 2556 6424): "New Beijing Mayor Li Qiyang"]

[Text] On 5 February 1993, at the First Session of the Eighth Beijing Municipal People's Congress, Li Qiyang was elected to be Beijing's new mayor by an overwhelming majority of votes. Being an official for party affairs over a long time, Li Qiyang's election as mayor of Beijing, China's capital, particularly attracted people's attention.

An Expert in Party Affairs Heads the Municipal Government

Li Qiyang is no stranger to the residents of Beijing. He was secretary of the Pinggu County CPC Committee of Beijing, director of the Organization Department of the Beijing Municipal CPC Committee, and executive deputy secretary of the Beijing Municipal CPC Committee before being elected mayor of Beijing. He is an official for party affairs with rich grass-roots work experience. This time, being changed from a party-affairs official to the chief executive of the municipal government, will Li Qiyang be competent to fulfill the important tasks of the mayor of the capital? This is a question often discussed by many people.

Deputies attending the First Session of the Eighth Beijing Municipal People's Congress held that Li Qiyang had good qualifications for successfully conducting the government work. When he was executive deputy secretary of the municipal party committee, he took part in studying and discussing the major policy decisions concerning Beijing's urban construction and economic development. Such work experience gave him knowledge about what a mayor should do and also ensured the reliable continuity of the government work.

In addition, as an official handling party affairs over a long time, Li Qiyang has the ability to properly use cadres and unite the whole leading body. This strong point was fully demonstrated at the first executive meeting of the new Beijing municipal government. At the meeting, Li

Qiyang sincerely told the eight deputy mayors: The current government is shouldering heavy tasks and important responsibilities. Being a new mayor, first, I will modestly learn from old comrades, from leaders of the last government, from everyone here, from the masses, and from experts in all fields honestly and conscientiously. Second, I will rely on you, all deputy mayors here, and I need your support and help in order to jointly fulfill our tasks with team spirit, and we will strive for the "team title" in government work.

Among the eight deputy mayors of Beijing, four are reelected to the office. Among them, Zhang Baifa, an official full of vigor, has remained in the office for four consecutive terms and has accumulated rich experience. He won Li Qiyang's full respect. Wang Baosen, being good at financial management, Lu Yucheng, having work experience in many aspects, and He Luli, being down-to-earth, bold, and vigorous in her work, have all become Li Qiyang's right-hand people with their conscientious work attitude. The four newly elected deputy mayors, as Li Qiyang described, are "vigorous, have grass-roots work experience, and have their own strong points." Li Runwu, engaged in economic work for a long time, is steady and composed. Hu Zhaoguang, who took charge of Beijing's new technology development zone, is capable and has an agile mind. Meng Xuenong, 43, is vigorous, cool-headed, and resolute. Duan Qian, 36, is full of rural work experience, though young. This group of municipal leaders brings out the best in each other. As Li Qiyang is good at uniting people and giving play to everyone's strong points, people have full confidence in the new municipal government. No wonder when the election results were announced, deputies burst into joyful laughter and applause at the meeting hall.

Unique Style of the New Mayor

A major characteristic of the new mayor of Beijing is his sober-headedness and resoluteness. When he was secretary of the Pinggu County party committee, Li Qiyang tightly grasped the key link of emancipating the mind and brought about a major development of various economic elements in the county through carrying out rural reforms. When he was director of the Beijing municipal party committee organization department, he paid special attention to the work of selecting, promoting, and training young cadres while fulfilling tasks in all fields. He discovered and appointed a large number of outstanding young cadres to leading bodies at all levels.

Paying attention to new things and being keen to solve actual issues in reality is another characteristic of the new mayor in the prime of his life. In a certain period, a brain drain occurred in the new scientific and technological development zone of Beijing, and many talented and skilled workers and professionals were attracted to the south and the east of the country. This aroused Li Qiyang's attention as he was executive deputy secretary of the municipal party committee. He held that training

competent personnel was a crucial prerequisite in economic construction. So he sent people to investigate the situation and learn the cause of the problem. He then reminded the municipal government to take necessary measures for solving some problems in reality. This effectively checked the brain drain and ensured the stable and rapid development of the development zone.

Administrative Platform of the New Mayor

In front of more than 800 people's deputies of Beijing Municipality, Li Qiyang gave an impromptu speech about the outline of his administration on behalf of the new Beijing municipal government. He said: We shall firmly carry out the basic line of "one central task, two basic points," and fully carry out the tasks set forth by the 14th CPC National Congress, the Seventh Beijing Municipal CPC Congress, and the current session of the municipal people's congress. We shall further promote the emancipation of the mind closely around the central task of economic construction, consistently do everything according to the actual conditions in reality, and guide our work with dialectical materialism.

As a newly elected mayor, Li Qiyang held that Beijing Municipality was facing four pressing tasks: First, urban infrastructural construction and personnel training; second, transforming the management mechanisms, further deepening reform and expanding opening in the light of the requirements of the socialist market economy; third, providing better services for the central authorities, for domestic and international exchanges, and for the people in the whole country as well as in Beijing. Thus, we have to develop the "hardware," that is, the tertiary industry; and also develop the "software," that is, establishing and perfecting the system of laws, regulations, and moral norms and enhancing the spiritual civilization in the capital to a new level. Fourth, the government's self-improvement, especially in the field of anticorruption. Great efforts will be made to check the unhealthy tendencies in various trades. The struggle against corruption will be carried out persistently over a long period.

In the two months after taking office, Li Qiyang often went to inspect work in the suburban areas and grass-roots units. There, he found out facts in reality and carried out investigations and studies. He told this reporter that a major task for the mayor of the capital city is to persistently go among the masses to carry out investigations and studies. In his work, he must rely on the masses, the deputy mayors, and the government personnel in all departments.

Hobbies and Family Life

After work, Li Qiyang often goes window shopping with his secretary, and purposefully walks in the crowds of various busy commercial districts of the city. If he is not discovered by the shop staff, he may go from the ground floor to the top floor of a department store and observe

almost every counter. Thus, he can personally learn the market conditions and the people's feelings.

His wife is a senior engineer. She described him as a "good husband," being considerate and deft in doing household work. He often goes to the food market to buy food, and he regards this as a good opportunity for knowing about social conditions. It is a pity that as his work load is growing heavier, he has less time to do household work.

Li Qiyang's hobby in his spare time is to enjoy music, including symphonies and love songs. Sometimes he may sing such songs as "Night in Moscow's Suburbs" and "Riding a Horse on a Hill" with his fine baritone voice. At the same time, the new mayor, who graduated from the history department of the Beijing Teachers' College in 1963, still loves the study of history. He likes to read biographies of Chinese and foreign dignitaries and other history books. This is also an important part of his spare time activities. He reads almost all biographies of major foreign statesmen he can find.

Li Qiyang loves his old mother, in her eighties, very much. He has one son and one daughter. His family life is very happy. After returning home from a full day's busy work late at night, he feels "very warm and happy when eating a bowl of meat noodles at home."

Construction Proceeds in Inner Mongolia Zone

SK0305041393 Hohhot NEIMENGGU RIBAO in Chinese 19 Apr 93 p 1

[Summary] The Pingzhuang economic development experimental zone in Chifeng city's Yuanbaoshan District is under construction.

So far, construction of office buildings, guesthouses, and business buildings, occupying an area of 140,000 square meters, has begun; and the urban infrastructural facilities are comprehensively under construction. More than 10 million yuan of funds have been put in place. Preliminary achievements have been made in the development of the real estate industry, small industrial areas, and markets. Four hundred and fifteen industrial enterprises of various categories are under construction, and the investment in these enterprises totals 425 million yuan. Of this amount, 206 million yuan or 49 percent of the total investment are from abroad.

Northeast Region

Liaoning CPC Official on 'Home,' World Economy

HK0505125393 Beijing RENMIN RIBAO in Chinese 16 Apr 93 p 5

[Article by Cao Bochun (2580 0130 4783), deputy secretary of the Liaoning Provincial CPC Committee and

secretary of the Dalian City CPC Committee: "Quicken the Tempo of Linking With the International Economy"]

[Text] Since the beginning of reform and opening up, especially since China began to implement the economic development strategy for coastal areas in 1984, Dalian has made great headway in the development of an export-oriented economy and its links with the international market are getting closer daily, thus effectively promoting the economic development of the entire Liaodong peninsula and the vast hinterland of northeastern China. Development has set new demands on coastal open cities like Dalian. Therefore, we must correctly understand the historical trend of the development of the international economy, define new strategic goals, upgrade the level of opening up, and achieve links with the international economy as soon as possible so that coastal open cities with superior locations and economic advantages can continue to act as "forward positions" for opening up to the outside world.

Linking up the international economy is a goal of opening up which is rich in theoretical and practical content. It means not only continuing to expand traditional commodity trade and unilaterally attracting technology and capital, but also integrating and merging with the international economy through the economic system, the market, and the allocation of production factors; participate in the continuously deepening modern division of labor; and ultimately achieve the internationalization of economic development in the trend of integrating with the world economy.

The Linking of the Systems Is the Basic Precondition for Achieving the Internationalization of Economic Development

Of economic systems around the world, the overwhelming majority of countries practice the market economic system. In international exchange and cooperation they use the market as the major means of allocating resources and regulating the economy and have jointly developed a relatively free international market. In this market, production factors can flow directly from nation to nation; the main body of production and management can freely enter and withdraw; and competition can start in a comparatively fair environment, under the guidance of real price signals, and according to international practice. This guarantees that all countries participating in the international economic system can, on a global scale, allocate and utilize their resources in a more rational way, divide labor and cooperate in a more rational way, and develop themselves amid interdependence, mutual promotion, and competition. For us to participate in the international economic system and achieve economic internationalization, it is first necessary to link our system with the international economic system. The 14th CPC National Congress stated that the goal of China's economic restructuring is to establish and

perfect the socialist market economic system. This serves as guidance for us to take a crucial step toward the linking of systems.

The task at the present time is to further emancipate the mind, change the way of thinking, increase the extent of reform, quicken the pace of changing to the market economic system; and under the state's macroscopic regulation and control, bring into play the fundamental role of the market in the allocation of resources and give a preliminary form to the new framework of a market economic system with several years of efforts. We must, on the basis of ensuring public ownership as the mainstay, quicken the establishment of an ownership structure that suits the initial stage of socialism; reform state-owned enterprises in an all-round way and change the operational mechanisms of large and medium state-owned enterprises; deepen the reform of the distribution system and establish and amplify the social security system; change the government's economic administrative functions and reform the administrative systems of planning, investment, financial, banking departments and some other special departments; perfect scientific macroscopic regulating and controlling system and methods; and step up the formulation of some regional foreign-related laws and regulations that conform to international practice and gradually form a comparatively complete system of laws and regulations.

To quicken the linking of the systems, we must also pay special attention to boldly studying and using the advanced management experiences of developed countries, introduce in an all-round way quality, costs, labor wages management standards that conform to international practice; practice internationally common accounting, taxation, and statistical systems; and link economic management and operational mechanisms in a comparatively short time.

The Linking of the Markets Is the Basic Condition for Linking With the International Economy

World economic integration activities, developed international trade, the internationalization of enterprises' production and management, the international movement of production factors, and the development and expansion of contemporary financial activities need to start in a unified international market. For this reason, for the national economy to link with the international economy, it is necessary for the national market to link with the international market. The internationalization of the markets of China's coastal areas is the basic condition for the internationalization of their economies. This involves two questions.

The first is the question of policy. This means that under the unified leadership of the state, enforce the economic and trade rules practiced internationally, strengthen macroscopic regulation and control, reduce administrative interference, and manage foreign economic relations and trade by using more economic means including tariffs, exchange rates, and credit.

The second is the question of price. The reality of the world's unified market can offer a price that correctly and quickly reflects the allocation of international resources. In the international economic system, countries with a developed market economy have their home and international markets integrated and have prices on the two markets basically directly linked. This is mainly determined by spontaneous regulation in the international market. In keeping with correct price signals given by the market, commodity producers can arrange for international production and management and participate in international competition. In order for the markets to be linked, prices must be linked. If there is so a great difference between the prices in the two markets that commodity producers are unable to arrange for and develop production under the guidance of real international prices, it will be impossible for the markets to be linked.

As far as a particular region is concerned, we must make more efforts on the question of price. On the one hand, it is necessary to regard the linking of the home and international market prices as an important objective of price reform, increase the extent of price reform, and straighten out the price system and the price control structure. On the other hand, it is necessary to, around the establishment of a socialist market economic system, quicken the transformation of large and medium state-owned enterprises, change their operational mechanisms, quicken their technological transformation, strengthen enterprise management, improve labor productivity and economic efficiency, enable the cost and quality of Dalian's products to come closer to, catch up with and surpass international advanced levels, and make their prices come gradually closer to international market prices and enhance products' international competitiveness. As for foreign-exchange-earning agriculture, it is necessary to make efforts in the sophisticated and deep processing of agricultural and sideline products, rationally adjust the prices of export products, and improve the efficiency of foreign-exchange-earning agriculture.

The Linking of Production Factors Is the Substantial Content of Linking With the International Economy

The international movement of production factors is the basic motivation for world economic integration and is its basic content. It includes land and natural resources, capital and labor, and technology and information. The allocation and use of these production factors can flow from one country or region to another country or region. As far as the macroscopic meaning is concerned, the international movement of production factors makes it possible for the supplementation of resources among nations around the world and offers an effective means for their participation in an international division of labor and in the course of international social reproduction at a more basic and deeper link and layer, effectively promoting the process of world economic integration.

Analyzing it from the microeconomic angle, the international movement of production factors enables commodity producers from different countries to utilize their own production factors to engage in joint creation and run international economic cooperation items. In this way, the development of productive forces can break through the national-boundary limitations and become internationalized. To link the home economy with the international economy, it is necessary to participate in the international movement of production factors in the hope of achieving the supplementation of resources in a still wider field and participating in a still higher-level international division of labor and cooperation.

To achieve the linking of production factors, it is necessary to ensure that two jobs be done. First, create still more favorable conditions to attract the production factors of all countries into the market of Dalian. It is necessary to further improve the investment environment, delegate investment administrative powers, and attract more consortia, enterprises, and multinationals, which have a considerable influence abroad, to invest in Dalian. Quicken the cultivation and development of the production factors market, begin with the development of tangible conditions, and be determined to build several comparatively large and comparatively higher-grade international production factors markets. At present, we can, on the basis of having held regional export commodity fairs for many years, build a number of fixed, import and export commodity and capital goods exhibition and sales centers and gradually develop fairly influential international capital goods wholesale markets and futures markets. On the basis of the two established foreign banks, we will strive to have more foreign banks set up branches or subsidiary organizations in Dalian, further improve and perfect the foreign exchange market, and expand international banking and the foreign exchange business. Vigorously develop joint-stock enterprises and create conditions to issue stocks abroad. Moreover, set about setting up technology, information, real estate, and property right markets which link up the international market, and attract a variety of international production factors to the market of Dalian.

Second, push toward the international market production factors with our own exclusive advantages. It is necessary to make the best of Dalian's various advantages such as its comparatively strong industrial foundation, a complete range of skilled personnel, and easy traffic and transportation; formulate a series of preferential policies which includes setting up a foreign investment foundation, offering low-interest loans, developing the foreign investment insurance business, and relaxing limitations on the examination and approval of foreign investments; and support enterprises and institutions with good conditions to invest and run various types of enterprises abroad.

It is necessary to specifically encourage large and medium state-owned enterprises to actively adapt to the trend of development of the modern international

economy; use their technological, equipment, and personnel advantages; cooperate with multinational corporations and groups; participate in the cooperation and division of labor for international comprehensive products; expand the production and export of spare parts and components for international comprehensive products; and occupy a due place in the international production system. It is necessary to begin with the expansion of the scope and scale of multinational operations; break the limitations of trades and professions, regions, departments, and ownership; adopt a variety of forms such as buying and holding each other's shares, joint venture, and joint operations; organize and set up large multinational groups that are economically influential in the international market; and guide the growth and development of more multinational corporations with accumulated experience.

Quan Shuren Attends Liaoning Congress Meeting

SK0405095993 *Shenyang LIAONING RIBAO in Chinese* 18 Apr 93 pp 1, 2

[Speech by Quan Shuren, secretary of the Liaoning provincial CPC Committee and chairman of the provincial people's congress standing committee, given at the first standing committee meeting of the eighth provincial people's congress on 17 April]

[Text] At this meeting, we heard a relay of the guidelines of the First Session of the Eighth National People's Congress [NPC] and conscientiously studied and discussed them. We heard and discussed the reports of the provincial government on forestry work, on preparations for the seventh national games, and on a summary of the end-of-term elections of counties and townships across the province, and we made relevant resolutions. We also decided to appoint members of the provincial government and to appoint and remove the personnel of the provincial people's congress standing committee, the provincial court, and the provincial procuratorate. The meeting has been a success. In particular, we relayed and studied the guidelines of the First Session of the Eighth NPC and the important speeches of Comrades Jiang Zemin and Qiao Shi to enhance our understanding, unify our thinking, and clarify the guiding thoughts for our work, the targets to be attained, and the major tasks. After this meeting, we should continue the study to deepen understanding and conscientiously implement the guidelines.

This meeting is the first meeting of this people's congress standing committee, marking the beginning of the implementation of the Constitution and the performance of the responsibility entrusted by laws by this new collective. I will take this opportunity to speak on some opinions on how to make the work of the people's congress standing committee successful for your reference.

First, we should strive to open up a new situation in the work of the people's congress standing committee with a

strong sense of responsibility and mission. The five-year tenure for this standing committee is the crucial five years for attaining the second-step strategic objective of China's modernization program; the important five years for gradually establishing the socialist market economy system; and also the five years for Liaoning to seize the opportunity to deepen reform, open wider to the outside world, accelerate development, realize the "second pioneering project," and restore Liaoning's magnificent demeanor. The historical heavy tasks are glorious and yet arduous; the people have great expectations for us; and our work will be tested by history.

Thanks to the guidance of the important speeches given by Comrade Deng Xiaoping during his south China inspection and the guidelines of the 14th national party congress, China's reform and opening up have been notably accelerated, and its economic construction has entered a new period of vigorous development since last year. Liaoning's reform, opening up, and economic construction have also entered a new development stage. The current domestic situation and international environment are very favorable to us and represent an extremely good opportunity for accelerating reform, opening up, and economic construction. We must correctly understand and take advantage of the situation and have a sense of urgency toward our times to seize the opportunity. We must enhance our sense of historical responsibility to value the opportunity; and we must have a scientific approach to use the opportunity well. We should take economic construction as the central task; use laws to guarantee and promote the healthy development of reform, opening up, and economic construction; and reach a new level as soon as possible. This is an important responsibility of the people's congress and also an important criterion for examining the Standing Committee's work. Establishing the socialist market economy system and accelerating development should be guaranteed by socialist democracy and the legal system. Therefore, we should persistently take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide; persistently take economic construction as the central task; take the endeavor of strengthening socialist democracy and legal system as the basic task; conscientiously perform our responsibilities; and, proceeding from Liaoning's reality in reform, opening up, and economic construction, emancipate our minds; carry out our work with the courage to experiment and blaze new trails; achieve new improvement, new accomplishments, and new breakthroughs in the work of this Standing Committee; promote Liaoning's democracy and legal system; and make new contributions to attaining the targets of the "second pioneering project" and to restoring the magnificent demeanor of the old industrial base.

Following the development of the socialist democratic politics, the people's congress shoulders increasingly heavier tasks and responsibilities. The 14th national party congress called for further improving the people's

congress system and functions of the people's congress. Comrade Jiang Zemin pointed out: "To comply with the economic structural reform and economic development, we should actively facilitate the political structural reform in line with the requirement for closely integrating democratization with legalization in order to achieve a greater development in building socialist democracy and legal system. An important content of the political structural reform is to adhere to and improve the people's congress system. The people's congress system is China's basic political system and the best measure for the people to be masters of the state under party leadership. Acting according to this system has an extremely important significance in safeguarding the nation's enduring order and stability and ensuring the smooth progress of socialist modernization, reform, and opening up." We should fully understand the importance of adhering to and improving the people's congress system and we should enhance our awareness in performing people's congress work successfully.

Local people's congresses and their standing committees are local organs of state power. The legal status of people's congress standing committee is decided on the fact that people's congress standing committee is an organ of power which shoulders arduous tasks and heavy responsibilities. We should work in cooperation to create a new situation in the work of the standing committee.

Second, focusing on establishing the socialist market economy system, we should strengthen local legislation and supervision according to law. The Constitution and the organic law of the local people's congresses and local people's governments at various levels of the PRC stipulate that the major powers of the provincial-level people's congress standing committees are the power to legislate, power to decide, power to supervise, and power to appoint and remove. Improving the functions of the people's congress and its standing committee means to improve the four powers. The most important work at the present is to improve the functions of legislation and supervision according to law to meet the requirement for establishing the socialist market economy system.

The socialist market economy is an economy ruled by law. We should strengthen the legal system if we are to establish and improve the socialist market economy system. This people's congress and its standing committee should regard as their task of prime importance the stepping up of economic legislation. They should step up efforts to formulate the local laws and regulations on ensuring and promoting the development of the socialist market economy and examine and abolish those incompatible with the requirement for developing the socialist market economy. Over the past decade and more, the provincial people's congress standing committee has done a great amount of work for legislation and formulated a great number of local laws and regulations. However, this still falls far short of the demand for establishing and improving the socialist market economy system. Therefore, this people's congress standing committee should list as an important item on the agenda the

stepping up of local economic legislation. Formulation of the laws and regulations on the socialist market economy is a new task for us. We should intensify study, including studying and learning from all domestic and foreign experiences beneficial to us. Comrade Deng Xiaoping once pointed out: "Some laws and regulations may be implemented on a trial basis in provinces first and then summarized and improved before national laws are drawn up." Chairman Qiao Shi also pointed out: "Where conditions are not ripe for formulating national laws, we may first formulate administrative and local laws and regulations." In line with these requirements, we should emancipate our minds, conduct explorations bravely, and make conscientious efforts to achieve success in economic legislation. We should step up the formulation of this year's plan for local legislation and the five-year plan for legislation; pay close attention to and probe the formulation of the laws and regulations that help establish the socialist market economy; and conduct investigations and study on the legislation concerning building urban and rural markets for means of production and means of subsistence, safeguarding market order, protecting fair competition, and establishing the social security system. We should step up the formulation of the regulations on urban workers' unemployment insurance, regulations on the shareholding cooperation system of the enterprises of collective ownership, and regulations on comprehensive improvement of public security.

When strengthening legislation, we should adhere to the principle of proceeding from reality and formulate a law "actively and yet prudently" whenever conditions are ripe for it. Based on Liaoning's reality, we should step up the formulation of the methods and detailed rules for implementing state laws. We should emancipate our minds, conduct explorations bravely, and draw up local laws and regulations first that the state has not formulated but are urgently needed in the province and that do not go against the Constitution, laws, and administrative regulations. When conditions are not ripe for legislation, we may draw up rough rules first, summarize experiences, and improve them gradually. Regarding the work on which laws should be established urgently but conditions are not ripe, governments may work out regulations on it first and summarize the experiences after the regulations are implemented for some time before formulating the laws. Local laws may be drafted by 1) pertinent government departments, 2) by people's congress standing committees, and 3) by entrusted experts and scholars. We should closely coordinate with the provincial government and the city people's congresses and pertinent departments authorized with the power to legislation and strive to achieve new steps and breakthroughs in formulating the laws and regulations on the market economy.

While strengthening local legislation, we should further improve the mechanism for supervision and strengthen supervision according to law. General Secretary Jiang Zemin pointed out: "The supervision of the people's

congress is the supervision exercised on behalf of the people. It is a state's system and not the behavior of an individual." We should summarize the experiences in our past supervision work, improve the mechanism for supervision, gradually institutionalize the supervision work, and do it according to established procedures. Ensuring implementation of laws in a locality is the responsibility of its local people's congress. We should particularly do a good job in legal supervision and ensure implementation of laws. Inspection on law enforcement is an effective way of strengthening supervision. This standing committee should continue the law enforcement inspection in a planned manner and according to established priorities, regard this as an important system, and adhere to it persistently. We should exercise supervision more forcefully; correct the phenomena of laws not being abided by or strictly enforced, law breaches not being investigated, laws being replaced by words, laws being suppressed by power, and punishments according to law being replaced by fines; raise the awareness of law enforcement departments and personnel in enforcing laws strictly; enhance the masses' sense of respect for laws and legal system; and act strictly according to law. In this year's law enforcement supervision, we should particularly inspect and supervise the implementation of the "enterprise law," the "regulations," the "regulations on the fees borne by peasants and labor service management," the "law on compulsory education," and the "decision on strengthening the comprehensive improvement of public security"; promote the transformation of enterprises' operating mechanism; reduce peasants' burdens; safeguard social stability; and promote the development of education, science, and technology. We should strengthen the supervision of the work of the government, court, and procuratorate, with the focus on some major and long-term issues and "notorious cases" about which the masses are concerned; hear and discuss their work reports; and support and urge the government to conscientiously implement the guidelines of the 14th national party congress, the 10-Year Program, the Eighth Five-Year Plan, and the various tasks defined at the first sessions of the Eighth NPC and eighth provincial people's congress; and bring the economy up to a new stage.

Third, we should forge close ties with people's congress deputies and the masses and give play to the role of the people as masters of the state. Deputies to the people's congress are members of the people's congress, and we should respect their legal status. Meanwhile, also serving as bridges for state organs to establish ties with the masses, deputies understand the people's voice and demand the best. By strengthening our contacts with the deputies, we should understand people's opinions and demand better; understand the real situation; make the local laws and regulations, decisions, and resolutions formulated by the Standing Committee more compatible with the people's basic interests and demands and more compatible with the reality of Liaoning's reform, opening up, and modernization drive.

The province has nearly 100,000 deputies to the people's congress at various levels. Many of them are experts and scholars, entrepreneurs, leaders and advanced and model persons in reform and opening up, and nonparty noted personages who have cooperated with our party for a long time. They constitute an important force. We should strengthen ties with them and give full play to their leading role.

Inspection is important in establishing ties with deputies and giving play to their role. Focusing on the issues that the people's congress and its standing committee discussed and decided, we should organize deputies to conduct inspections in a planned manner, participate in law enforcement inspection, and promote work. Members of the standing committee and its various special committees should go down to the grass-roots levels on a regular basis to hear deputies' opinions directly by holding forums or visiting deputies individually. We should continue the system under which some deputies are invited to standing committee meetings as observers. Organizing deputies to appraise the work of the government, court, and procuratorate is a good method for strengthening supervision and for deputies to participate in and discuss the administration of state and government affairs. Some city and county people's congresses have begun appraisals by deputies, achieved fairly good results, and accumulated valuable experiences. We should summarize and disseminate the experiences.

The provincial people's congress standing committee should continue strengthening its ties with city and county (district) people's congress standing committees; learn from, summarize, and disseminate their good experiences; and support them in their performance of responsibilities according to law. By inviting chairmen of city people's congress standing committees to attend our standing committee meetings as observers and by holding forums or experience-exchange meetings on the people's congress work, we should strengthen the ties between higher and lower levels, summarize and exchange the experiences in the people's congress work, and promote the work of local people's congresses. The standing committee should also strengthen the ties with the government, court, and procuratorate; inform them of the situation in a timely manner; closely coordinate with them; and achieve success in work with concerted efforts. The various special committees and work organs should also strengthen ties with the relevant organizations of the NPC and city people's congresses and with the relevant departments directly under the province.

Fourth, we should improve ourselves, and the new standing committee should have new work styles. Improving the standing committee itself is an important guarantee for a success in the people's congress work. To improve the standing committee itself, we should first intensify study to raise our political, ideological, and professional levels. We should mainly study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and study laws. The theory of building socialism with Chinese characteristics is the

ideological and theoretical foundation guiding all our work, and we should strive to profoundly understand and comprehensively master it. None of the work of the people's congresses can be separated from laws. Laws are the basis on which the people's congress and its standing committee perform their functions. Work will be difficult to perform if we do not know laws and are not familiar with laws. To meet the new work demands, we should systematically study the Constitution, the organic laws, the law on deputies, the electoral law, and the work regulations and rules of discussions of the people's congress standing committee; further clarify the nature, status, role, and responsibilities of the people's congress and its standing committee and the ways they exercise their power; master the characteristics and laws of the people's congress work; and carry out the work of the standing committee successfully according to law.

We should step up efforts to improve our organizations and systems and strive to gradually standardize and institutionalize them and to establish procedures for them. Thanks to the efforts of the previous standing committees, the standing committee has had work regulations, rules of discussions, methods for personnel appointment and removal, methods for establishing ties with deputies, and regulations on legislation, supervision, and judicial work. We should summarize experiences to further improve these systems and regulations. We should strengthen the special committees and the work organs of the standing committee, clarify their responsibilities and duties, rationalize their relations, improve their functions, and raise their efficiency. The

standing committee should rely on its special committees and work organs to carry out its day-to-day work. It is hoped that everyone will concentrate efforts on achieving success in the work of the standing committee and its special committees and that the various special committees and work organs will support and closely coordinate with one another. In line with the principle of streamlining and high efficiency, we should build a compact and efficient contingent of cadres who are familiar with laws and the people's congress work and who will serve better the work of the people's congress and its standing committee.

We should step up efforts to improve work styles. We should have new work styles if we are to achieve new breakthroughs and development in the people's congress work. The previous standing committee has established many fine traditions and work styles for us. We should persistently carry them forward and further establish new practices. The standing committee faces many new tasks in performing work. This requires that we emancipate our minds, actively conduct explorations, and have the courage to bring forth new ideas. We should always persist in the spirit of seeking truth from facts, refrain from empty talk, overcome bureaucracy, avoid formalism and superficial work, and go deep into the reality of life and the masses to conduct investigations and study and to obtain first-hand materials to provide basis for formulating local laws and regulations and for discussing and deciding on major issues. We should take the lead in maintaining honesty in performing official duties, work actively and diligently, and fulfill our responsibilities in a down-to-earth manner.

Tibetan Delegation Visits Taipei 5 May

OW0605082493 Taipei CNA in English 0742 GMT
6 May 93

[Text] Taipei, May 6 (CNA)—A three-member Tibetan delegation headed by Gyalo Thondup, brother of the Dalai Lama, is currently visiting Taiwan.

Gyalo Thondup called on Chang Chun-yi, chairman of the Mongolian and Tibetan Affairs Commission Wednesday [5 May]. The visit by the delegation of the Tibetan exile government is being arranged by the Republic of China chapter of the World League for Freedom and Democracy.

Leaders Confirm Results of Ku-Wang Talks

President Praises Ku

OW0605083193 Taipei CNA in English 0817 GMT
6 May 93

[Text] Taipei, May 6 (CNA)—President Li Teng-hui in his capacity as Kuomintang [KMT] chairman Wednesday [5 May] praised Ku Chen-fu for his excellent performance in his just-concluded negotiations with delegates from Mainland China.

Ku, chairman of the Straits Exchange Foundation, met his mainland counterpart, Chairman Wang Daohan of the Association for Relations Across the Taiwan Straits, late last month in Singapore for a historic conference on ostensibly nonpolitical issues arising from contact between Taipei and Beijing. Ku is also a member of the KMT Central Standing Committee. After hearing a report on the talks from Ku in [words indistinct] highest policy-making body, Li said that the three agreements Ku reached with Wang would be conducive to further promoting cross-strait exchanges. Also present at the meeting were former Premier Li Huan and Legislative Yuan President Ni Wen-ya, who both spoke highly of the Singapore meeting, saying it was a breakthrough in 40 years of antagonism between the two sides of the Taiwan straits. But they asked the ruling party to be cautious in responding to the Democratic Progressive Party's suggestion that the three agreements should be screened and approved by the Legislative Yuan. The aim in this move, they suggested, was to try to change the cross-strait agreements into nation-to-nation accords.

Also giving a report in the meeting was Mainland Affairs Council Chairman Huang Kun-hui who cited reports in the foreign media such as THE NEW YORK TIMES and YOMIURI SHIMBUN as saying that the world has come to understand that the Ku-Wang meeting was not a KMT-CPC (Communist Party of China) dialog as has been claimed by Beijing.

Lien Chan Comments

OW0505133793 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
3 May 93

[From the "Hookup" program]

[Text] Executive Yuan President Lien Chan yesterday heard briefings by Huang Kun-hui, Ku Chen-fu, and Chiu Chin-i on the Ku-Wang meeting and affirmed the results reached at the meeting under the principle of reciprocity and mutual benefit. He also made a six-point observation. President Lien stressed that the Ku-Wang meeting was not a peace talk between the Kuomintang [KMT] and the Communist Party or a dialogue between the two parties, and even less a talk on reunification. The following is a report by reporter Yang Chin-hui:

Mainland Affairs Council [MAC] Chairman Huang Kun-hui, Strait Exchange Foundation [SEF] Chairman Ku Chen-fu, and SEF Vice Chairman Chiu Chin-i briefed Executive Yuan President Lien Chan on the results of the Ku-Wang meeting.

Executive Yuan President Lien Chan expressed his thanks for the work of the SEF delegation and also expressed his complete satisfaction with the SEF delegation's performance. He first clearly pointed out that the meeting was purely a nongovernmental affair and an economic and functional meeting. He said: It was not a peace talk between the KMT and the Communist Party or a dialogue between the two parties, nor was it a talk on reunification.

Hu Chih-chiang, director general of the Government Information Office, made the following explanation:

[Begin Hu recording] Following the meeting, people more clearly see that the meeting was not a so-called talk on reunification, nor was it a so-called talk between the KMT and the Communist Party, or a dialogue between the two parties. Therefore, it is very clear that it was a routine and functional meeting of a nongovernment and nonpolitical nature. Although the mainland side attempted to turn the meeting into one of a political nature, as you all clearly see, the mainland side has not achieved its goal. On the other hand, our explanations on the nature of the meeting have generally been understood and accepted by the international community. [end Hu recording]

After hearing a briefing, Executive Yuan President Lien Chan made a six-point observation. First, the Ku-Wang meeting was of a serious nature and of great significance. It shows that the government has assumed responsibility for properly solving problems related to exchanges between the two sides of the strait under the principle of mutual benefit on the basis of reciprocity. Second, President Lien held that, through the Ku-Wang meeting, we can clearly let the mainland and the international community understand the fact that the two sides of the strait are on an equal footing, are in a state of split, and

are ruled by different governments [fen chih]. Third, Executive Yuan President Lien Chan is satisfied with the results of the Ku-Wang meeting. Fourth, the Executive Yuan president stressed that, with the exception of the four agreements, the Ku-Wang meeting so far has not solved all problems. We must promptly and properly study policies to handle the existing and possible future problems. Fifth, the communist delegation to the meeting included both officials and civilian elements. As to the SEF's suggestion on having officials take part in the meeting under the name of nongovernment personnel, the Executive Yuan president held that it is quite an important issue and must be further studied. Sixth, the Executive Yuan president pointed out that the Communist side prepared for the meeting and so we also fully prepared for the meeting.

As to officials taking part in the meeting under the name of nongovernmental personnel, Director General Hu Chih-chiang made the following explanation:

[Begin Hu Chih-chiang recording] The Executive Yuan president affirmed the important nature of having qualified personnel take part in the meeting as the SEF suggested. He asked concerned departments to fully support and make proper plans for those meetings. As to the training of qualified personnel for those meetings, and the government's employment of mainland affairs experts, the Executive Yuan president also asked concerned departments to study the matter and hoped that it could be solved in the future. [end Hu recording]

The Executive Yuan president will host a banquet for MAC officials and SEF delegation members on the evening of 4 May and further exchange opinions on the implementation of the four agreements.

MAC To Formulate Law on Hong Kong Relations

OW0605020193 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 3 May 93

[From the "Hookup" program]

[Text] Kao Kung-lien, vice chairman of the Executive Yuan's Mainland Affairs Council [MAC], said yesterday [3 May] that since Communist China has drawn up the Hong Kong Basic Law for maintaining the Hong Kong system beyond 1997, Taiwan will treat Hong Kong as a separate administrative region from the mainland when the time comes. Therefore, the MAC will study and formulate a law governing Taiwan's relations with Hong Kong and Macao to maintain trade and navigation links between Taiwan and Hong Kong and to avoid the retrogression of Taiwan-Hong Kong relations due to the application of the Regulations on Cross-Straits People's Relations.

Kao Kung-lien said that after the 1997 general election, Hong Kong will maintain its current system for 50 years, based on the Hong Kong Basic Law. Taiwan will treat Hong Kong as a separate administrative region from the mainland, and will maintain trade and navigation ties with Hong Kong, which will not be treated as a third country after 1997. This is to say that Taiwan will overcome Communist China's obstructions to maintain current Taiwan-Hong Kong relations beyond 1997.

He pointed out: To avoid regression in Taiwan-Hong Kong relations, the MAC is prepared to formulate a law governing Taiwan's relations with Hong Kong and Macao, which will be different from the Regulations on Cross-Straits People's Relations. After 1997, the Taipei Trade Center—our representative office in Hong Kong—will not be withdrawn from Hong Kong and will only be slightly readjusted in its organizational structure.

On 2 May, Chiang Ping-kun, minister of Economic affairs, turned down a request by (Cheng Ming-tsun), chairman of the Hong Kong Chamber of Commerce, to lobby Washington and help the mainland obtain most-favored-nation trade status. Chiang Ping-kun said: Communist China has employed various means to jeopardize and suppress Taiwan's position in the international community; therefore, our government sees no political or economic reasons to lobby for Communist China.

Opposition Postpones Planned Visit to PRC

OW0605083593 Taipei CNA in English 0752 GMT 6 May 93

[Text] Taipei, May 6 (CNA)—The Democratic Progressive Party (DPP) said Wednesday [6 May] that the planned visit to the mainland by a group of ranking party officials will be postponed to a date that has yet to be fixed. But the DPP, Taiwan's largest opposition party, stressed that it would be happy to see its members go to the mainland to collect first-hand information which can be used for reference by the party when formulating future "China policy." The decision was made during a meeting of the party's "China group," DPP Secretary-General Chiang Peng-chien said.

Sources close to the DPP said the trip would not be scheduled until a consensus is reached within the party. The DPP, which openly advocates an independent Taiwan, used to be cool to mainland affairs. But prompted by the recent Ku-Wang talks, the highest contact between Taiwan and the mainland in more than four decades, the party is resolved to having a say in the handling of mainland affairs, and sees the trip to the communist-ruled mainland as one way of gaining concrete experience, the sources explained.

Hong Kong

PLA 'Entrepreneur' Tipped To Head Garrison

HK0605014593 Hong Kong SOUTH CHINA
MORNING POST in English 6 May 93 pp 1, 2

[Article by Willy Wo-lap Lam]

[Text] The military officer tipped to be the first commander of the People's Liberation Army Garrison in Hong Kong is an army entrepreneur whose companies in the Special Economic Zones of Shenzhen and Huizhou reap millions of yuan in profit a year.

General Lei Mingqiu, 51, a native of Hunan province, is one of the fastest-rising stars in the Chinese army.

As a long-time political commissar of the 42nd Group Army, which is based in Huizhou Special Economic Zone next to Daya Bay, General Lei is knowledgeable about southern China and Hong Kong, as well as the entrepreneurial spirit that makes the region so rich.

General Lei, a graduate of the Zhuzhou Institute of Aeronautical Industry in Hunan and a 31-year army veteran, was promoted to director of the political department of the Guangzhou Military Region in January.

"At the 13th Communist Party Congress in 1987, Lei was one of the youngest and most junior officers to be elevated to the policy-setting Central Committee of the entire party," a military source said.

"Lei retained his Central Committee membership at the 14th Party Congress last October. Last month he earned the senior designation of major-general."

Military analysts in Beijing said that late last year General Lei attended a four-month course for the senior brass at the National Defence University, a sign he was being groomed for the top.

Sources close to General Lei said his fortunes began to rise when he joined the 42nd Army as divisional political commissar in 1982.

With responsibilities for Shenzhen and areas bordering Hong Kong, the 42nd Army is often visited by top army and political leaders, including the former vice-chairman of the Central Military Commission, Mr Yang Shangkun.

One of General Lei's key patrons in Beijing is General Yu Yongbo, a former chief of the 42nd Army. Now head of the general political department at PLA headquarters, General Yu is in charge of the 42nd Army. Now head of the general political department at PLA headquarters, General Yu is in charge of personnel matters for the entire army.

According to the forth-coming issue of the China-watching monthly WIDE ANGLE [KUANG CHIAO CHING], General Lei first caught the business bug when he struggled to meet the rising costs of maintaining troops in Shenzhen and Huizhou, the most expensive places in China.

"Food costs for each soldier is three yuan (HK\$4.10) per day, or 1.1 yuan above standards (designated by Beijing)," Wide Angle quoted General Lei as saying in the mid-1980s.

"There are more than 30,000 soldiers in the Special Economic Zones. Food subsidies alone come up to 12 million yuan a year."

To solve the problem, General Lei and the Commander of the 42nd Army, General Chen Xianhua, launched army businesses.

"When the two generals first began going in and out of luxurious hotels and talking business with Hong Kong, West German and Japanese businessmen, they felt a bit uneasy," the journal reported.

By 1987, factories opened by the two generals had earned 20 million yuan.

A year later, WIDE ANGLE reported, the two shocked the PLA when they told then-head of the general logistics department, General Cho Nam Qi, that they were aiming for annual profits of 100 million yuan.

Today, enterprises under the 42nd Army include joint ventures and other production facilities for automobiles, pharmaceuticals, televisions and video recorders.

Military analysts expect General Lei to maintain a keen interest in his enterprises after his promotion to the Guangzhou Military Region, which supervises the 42nd Army.

Lu Ping Reveals Contents of Sino-British Talks

HK0605015893 Hong Kong SOUTH CHINA
MORNING POST in English 6 May 93 p 1

[Article by Doreen Cheung in Beijing]

[Text] The Director of the Chinese State Council's Hong Kong and Macao Affairs Office, Mr Lu Ping, yesterday revealed something of what has been discussed in the Sino-British talks over constitutional reforms—only days after Beijing chided Britain for leaking details.

Mr Lu was quoted as telling a visiting delegation of the Association for Democracy and People's Livelihood (ADPL) that the two rounds of talks so far focused on four main areas: the voting method in geographical elections, the functional constituency, Election Committee selection and the through train for legislators straddling 1997.

Although the two sides had agreed to keep the content of the talks confidential, Mr Lu told the ADPL that the negotiators had not got down to details.

There was no specific agenda for individual rounds of meetings during which representatives from both sides raised only issues of concern, Mr Lu had said.

The ADPL also quoted him as specifying two conditions for the through-train arrangements.

He said the most important thing was for the 1995 electoral arrangement to converge with the Basic Law.

Only when the condition of convergence was met could talks continue into defining the criteria of who would be eligible to be legislators in 1997.

Mr Lu was also quoted by the ADPL pledging that China would not reach any secret agreement with Britain on the 1994/95 elections.

Content of the talks would be revealed in due course, he said.

He also told the group that Hong Kong people had a say over the electoral package and they could participate in formulating the arrangements.

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